



# **Daily Report—**

## **East Asia**

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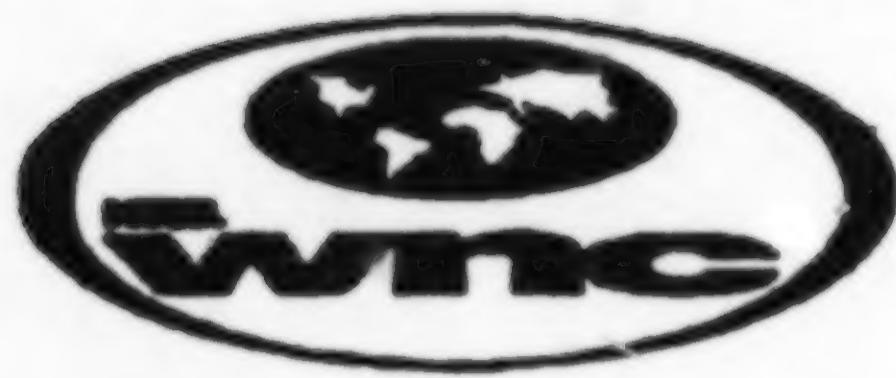
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# Daily Report

## East Asia

FBIS-EAS-96-023

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**Asian Foreign Ministers Hold Informal Meeting**  
*BK0202100896 Kuala Lumpur THE STAR in English  
2 Feb 96*

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] PHUKET — Malaysia hopes that the Asia-Europe Meeting (ASEM) in Bangkok next month will trigger greater involvement of the European Union in Asia-Pacific's dynamism.

Acting Foreign Minister Datuk Abu Hassan Omar said yesterday by so doing, Europe would further strengthen its economic and political ties with countries in this region.

"Under the new trade liberalisation order, we are opening up ourselves to different directions. Therefore, it's right to say Europe would like to look more eastward so as not to lose out on the enormous economic opportunities here," he told Malaysian reporters on his arrival here for the two-day informal Asian Foreign Ministers meeting.

The meeting begins today to prepare the agenda for the historic summit.

Abu Hassan is representing Foreign Minister Datuk Abdullah Haji Ahmad Badawi who is recuperating after undergoing a heart surgery recently.

Those attending are foreign ministers from ASEAN, China, Japan and South Korea.

Asked about Malaysia's expectations of the summit, he said: "We hope the outcome will be very positive in terms of enhancing two-way trade and economic as well as political co-operation."

Abu Hassan, who is also Domestic Trade and Consumer Affairs Minister, added that Malaysia had always advocated an open-door policy with its trade as well as economically and politically.

On whether the leaders were going to discuss human rights and nuclear issues in Bangkok, he said the foreign ministers would discuss the agenda before advising their respective leaders.

He said there had been a lot of individual contacts between countries in Asia and Europe and the summit would lead the countries involved to explore areas of mutual interest on a multilateral basis.

Meanwhile, Thailand's Foreign Minister Kasemsamosan Kasemi said he was very optimistic about the summit which would benefit both regions especially in trade and investment.

Singapore's Foreign Minister Professor S. Jayakumar said preparatory work leading to the summit was going on smoothly.

Twenty-five heads of governments from Asia Europe are expected to attend the ASEM summit on March 1 and 2.

**Seoul Proposes To Host 2000 Asia-Europe Meeting**  
*SK0202101996 Seoul YONHAP in English  
0804 GMT 2 Feb 96*

[FBIS Transcribed Text] Phuket, Thailand, Feb. 2 (YONHAP) — South Korea proposed Friday that it host the third Asia Europe Meeting (ASEM), which is expected to be held in the year 2000.

The proposal was made by Foreign Minister Kong No-myong at a foreign ministers' meeting of 10 Asian countries convened here to coordinate their positions for the upcoming ASEM, which is slated for March 1-2 in Bangkok, Foreign Ministry Spokesman So Tae-won said.

Kong made the proposal while stressing the need for the ASEM to continue. Japan, Singapore and Indonesia supported Kong's proposal, according to So.

During the ministerial meeting, the foreign ministers agreed that the ASEM be held alternately in Asia and Europe every two years, So said.

This means that the second ASEM will be held in Britain in 1998 and an Asian country will be entitled to host the third ASEM in 2000, he said.

The spokesman also said that it would be very natural for a Northeast Asian country such as South Korea, Japan or China to host the 2000 ASEM, since Thailand, a member of the Association of Southeast Asian Nations (ASEAN), is going to host the first summit next month.

South Korea could be confirmed as the host country for the third ASEM during the first ASEM scheduled for March 1-2 in Bangkok, if China doesn't raise any objections, the spokesman said, noting that Japan already supports Seoul's bid to host the 2000 ASEM.

The spokesman pointed out that the venues for the second and third Asia-Pacific Economic Cooperation (APEC) forum were formally decided during the first APEC forum.

Another Foreign Ministry official emphasized that ASEM is going to be a historic international forum that discovers the "missing link" that has kept Asia and Europe apart for the past millennia.

He also stressed that hosting the 2000 ASEM would clearly help improve South Korea's image and serve its national interests.

The official also noted that Europe and Asia lack such links as existing between Asia and America, or Europe and America.

He added that ASEM will prove to be a pivotal organization in the 21st century when Asian and European

countries seek to cooperate and understand each other's security, political, economic, and cultural needs.

ASEM has 25 members, including 15 European union countries, seven ASEAN countries, South Korea, Japan and China.

## Japan

### Japan: Spokesman on Regional Conflicts, U.S., More

OW0202115096 (Internet) Japan Ministry of Foreign Affairs WWW in English 30 Jan 96

[News conference by Japanese Foreign Ministry spokesman Hiroshi Hashimoto with unidentified reporters on 30 January; place not given; from the "Foreign Policies, Press Conference" link]

[FBIS Transcribed Text] [Topics of Discussion] I. French nuclear testing II. Takeshima territorial issues III. Food aid to North Korea IV. Japan-United States base realignment consultations V. Japan-United States-Republic of Korea consultations VI. People's Republic of China-Taiwan relations

#### I. French nuclear testing

Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon ladies and gentlemen. My colleague has already distributed the comments made by Chief Cabinet Secretary Seiroku Kajiyama today on the end of Nuclear Testing by the French Republic. The comment itself is self-explanatory; however, I will just touch on some points. One point is it is extremely regrettable that the French Republic has conducted nuclear testing — as many as six times, despite the repeated appeals from the international community, including Japan. This morning, Minister for Foreign Affairs Yukihiko Ikeda made an additional comment that, at first, the French Republic announced it would conduct the testing as many as eight times by the end of May this year; however, decided to reduce the frequency and period of testing. The French Republic decided to support the so-called zero-yield option under the Lalotonga Comprehensive Test Ban Treaty (CTBT), and decided to sign the protocol of the Nuclear-Free Zone Agreement. Foreign Minister Ikeda said that Japan is of the view that the firm opinions shared by the international community should be reflected in the decisions of the French Republic. It is very much hoped that the French Republic will take an active and positive attitude toward the early conclusion of the CTBT and make an effort to promote nuclear disarmament, leading to the outcome of the elimination of nuclear weapons. I am ready to take any questions concerning the testing or on the other issues you may wish to raise.

Q: The Government of the United Kingdom said in a letter to the Mayor of Hiroshima that he could not oppose nuclear testing. I think this is the first time this has been said publicly. How is that remark going to go down with the Japanese Government?

A: Mr. Dawkins, I am terribly sorry, but I was not aware of the statement of the Government of the United Kingdom. Was that issued yesterday?

Q: It was a letter from Prime Minister John Major of the United Kingdom to the Mayor of Hiroshima.

A: Was it issued yesterday?

Q: I believe so, yes.

A: We will check on that.

Q: Former Prime Minister Tomiichi Murayama was rather honest at one time in saying that Japan has cut off grants in the People's Republic of China, but has no such leeway with the French Republic. Now, the People's Republic of China is expected to continue its tests, and in fact, the People's Republic of China has even not agreed to cease testing until the CTBT is applied — not agreed upon. Secondly, there is the dispute about zero yield — they have not agreed to it. Assuming that you cut off grants to the People's Republic of China, what leverage do you have to convince the People's Republic of China to come in line with the other nuclear powers?

A: First of all, the CTBT negotiations are now conducted in Geneva, and unfortunately the People's Republic of China delegation once again stated its stance that the nuclear testing for peaceful purposes should be allowed under the new agreement. Japan cannot accept this position. We will continue to persuade the People's Republic of China to agree to the zero-yield option. At the same time, as you rightly pointed out, the Japanese Government has basically frozen grant aid to the Government of the People's Republic of China — so far as they are going to conduct nuclear testing. Our measure to freeze grant aid is applied to the fiscal 1996 year — by the end of March. If the People's Republic of China conducts a nuclear test in the new financial year, I think most probably, the Japanese Government will continue to freeze grant aid to the People's Republic of China. Simultaneously, of course, the Japanese Government continues to protest to the Government of the People's Republic of China on nuclear testing. But, your question is whether the Japanese Government is going to take further steps on this. I am not sure what you have in mind, but to freeze grant aid is already a very severe measure. I think the Japanese Government does not contemplate taking further measures.

Q: On the CTBT — the former Bush Administration of the United States championed the Chemical Weapons Convention and the United States Congress has not yet ratified it. Would you agree that even on the CTBT, there is a Clinton Administration electoral agenda in having it signed by autumn to further election prospects.

because they too have to ratify it, you have to ratify it, and there are a number of people who cannot ratify it. The Chemical Weapons Convention did not go to the Diet until the Aum Shinrikyo case came up. I question the seriousness of purpose of some of these nuclear weapon powers, or those dependent on nuclear weapon powers for their security. What is there to the view of certain non-nuclear weapon powers that you are trying to perpetuate the existing nuclear weapons regime?

A: On the CTBT it is probably too premature for us to talk about the ratification of the Treaty. First of all, we have to conclude the Agreement, and we will do our utmost to conclude the Agreement by spring. However, we have to persuade the People's Republic of China to agree to the zero-yield option. The Russian Federation's attitude is still rather vague. It has not yet officially announced the present position of its Government at the CTBT negotiations. We sincerely hope that the Russian Federation will agree with the zero-yield option. The Republic of India is floating a completely different idea, which is not necessarily acceptable by the participants of the CTBT negotiations. We sincerely hope that the Government of the Republic of India will take a realistic attitude on the CTBT. So, before we talk about the ratification, we have many things to do. Lastly, the Japanese Government does not suspect the sincerity of the Clinton Administration on the CTBT.

## II. Takeshima territorial issues

Q: How are you going to solve the potential territorial problem between Japan and the Republic of Korea about Takeshima Island?

A: As far as the Takeshima issue is concerned, we have already announced the principle positions of the Japanese Government at the Diet Session. I do not think that there is any change on this position.

Q: Could you repeat that position for us?

A: The paper detailing the position of the Government is not available for you here — I do not have the official statement here. Last year in the Diet, there was a question and answer session on this. So, if you like, I will give you a copy of the review in Japanese.

Q: I have a series of questions on this particular subject about the Sea of Japan. There have been reports in the recent past, in the Republic of Korea and in Japan, that you are intending to apply the Exclusive Economic Zone (EEZ) either before or after ratification. Do you think the circumstances are right considering the Republic of Korea is going into elections, and Japan is probably going into elections, and in the People's Republic of China transition is taking place? Do you think these circumstances are normal in terms of what

these countries are raising is honest or for domestic purposes?

A: What the Japanese Government has so far stated is that it intends to present the Law of the Seas-related bills and the Agreement to the present Session of the Diet. We have not decided when we will actually present the bills to the Diet. This is one point. The other point is, in this connection, we have not yet decided about the declarations of the Exclusive Economic Zone (EEZ). We are in the process of forming a consensus among the Ministries concerned. This is what I can tell you officially.

Q: If you have the information, could you spell out the distance from the nearest shore of the Republic of Korea to Japan?

A: I do not have a map here, but first of all, the Japanese Government has established a fishing zone. As far as the fishing zone is concerned, we have not established the fishing zone in the sea near the Republic of Korea and the People's Republic of China. The Japanese people concerned are very much interested whether the Japanese Government is going to establish the full economic zone and whether the full area will be covered by the new regulations or not. On the questions of the establishment of the EEZ, and to what extend the Japanese Government is going to apply the regulations, it is still undecided and under study. The second point is that Japan has fishing treaties with the Republic of Korea and the People's Republic of China. In the past, when we have had the chance, we have explained to our colleagues in the People's Republic of China and the Republic of Korea that we intend to present the Law of the Seas-related regulations and bills to the Diet, but we have not told them whether we would declare the EEZ in conjunction with the Law of the Seas regulations. But, in any case, once the fishermen from the People's Republic of China and Republic of Korea are currently engaged in fishing inside the Japanese fishing zone, presumably, we will have to consult with the governments of the People's Republic of China and the Republic of Korea, in due course, about what we should do about this tradition.

Q: Would it be correct to assume that even if you apply the EEZ, your current thinking is that you would like to — without renouncing your claim to Takeshima — keep relations going without settling the possession issues as such — freeze it like the Republic of Singapore, for example?

A: Japan has no intention of disturbing the friendly relations with the People's Republic of China and with the Republic of Korea. But, at the same time, we have certain issues to be discussed, like the EEZ. What I can

tell you is that if we have to conduct fishing negotiations in the future, those talks will tend to be very severe. We hope we can find a mutually acceptable solution to this. This is rather abstract, but what I can tell you is limited to this.

Q: To come back to my earlier question on timing. The Sea of Japan is a very emotive issue for them. In my view, that country has not shied away from using its relations with Japan to press the issue. They have in the past picked this up, as in September 1994. Is it the right time to ratify the Law of the Seas?

A: First of all, the Republic of Korea Parliament has already ratified the Law of the Seas regulations. At the same time, we understand that the People's Republic of China is also preparing for this. The Law of the Seas Conference has a long history and now it is the right time for us to present those laws to the Japanese Diet.

Q: When you normalized relations, were there any secret discussions during the normalization that the amount of reparations would also cover the ownership of Takeshima?

A: Regularly, the Japanese Government keeps telling the Government of the Republic of Korea of the principle positions of the Japanese Government on Takeshima Island. There is no secret about this.

### III. Food aid to North Korea

Q: Another question on a completely different subject — I noticed you put down North Korean food aid as one of the issues you have just been highlighting. Could you just bring us up to date on the deliberations?

A: Yes, you remember that the tripartite meeting on the level of Deputy-Ministers between Japan, the Republic of Korea and the United States took place in Hawaii. They exchanged views on the situation of North Korea. They talked about the food situation. They shared, more or less, the same view on this. It is that the food situation is severe, but it has not reached the critical point where, for example, famine has been caused by this. This is the objective analysis of the three countries on the food situation. Secondly, the Japanese side explained to its colleagues about how we extended rice to North Korea on an humanitarian basis, and we explained that the stock of rice has disappeared. Because this rice has disappeared, we do not intend to send rice to North Korea. A United States colleague told us that they have not decided whether they will extend emergency aid for this purpose. At the same time, they said that even if they extend rice to North Korea, it will not be as much as Japan and the Republic of Korea have extended in the past — so, a relatively limited amount is seemingly under study. If you are talking about the news brought

by member of the House of Councilors Akiko Domoto, yes, we communicated with Councillor Domoto on this, but the position of the Japanese Government is as I have just explained to you.

Q: I understand some ruling coalition politicians are planning to go visit the North Korea. Apparently, they are willing to extend further rice aid. Does it not mean that there is sort of a difference in the negotiation of the current situation between the Government and the ruling political coalition?

A: When Councillor Domoto brought the news of the request by the North Korean authorities for additional rice aid, there was speculation in the Japanese press about the possibility of dispatching a parliamentary delegation to North Korea. But, very recently, the Government has not heard anything on this, so I do not know whether the politicians concerned have decided to do so or not. As for the negotiations between Japan and North Korea on the normalization, unfortunately it has still been suspended.

Q: No progress at all?

A: No.

Q: I apologize for being late and it may be that this subject has already been touched upon, but about the meeting in Honolulu between Japan, the United States and the Republic of Korea — particularly, the question of assessing the food shortages in North Korea. Various figures for the number of those at risk have been discussed by various agencies. I read a report that at the Honolulu meeting, a Republic of Korea representative presented unspecified evidence that the situation in the north was not as bad as had been suggested. Do you have any more details of that, and does the Japanese Government have its own assessment of the danger? If so, what is it and what is it based on?

A: Before you came, I explained to your colleagues that the three sides shared, more or less, the same view on the food situation. The situation is severe; however, it has not yet reached a critical point where famine has been caused by this. The Japanese side has explained to their colleagues about what we have done in the past. Our stockpile of rice has disappeared and we do not intend to extend rice to North Korea. As for the data concerning the food situation, the Japanese Government does not obtain specific figures, except we have received some from various international agencies and so on. To be frank, we do not know actually or precisely what is happening in North Korea with the food situation, but, on the basis of the data which we have, Japan, the Republic of Korea and the United States shared, more or less, the same view as they expected.

Q: The position of the agency seems to be that although the situation could not be called a full-blown famine yet, by the time it is a full-blown famine, it will be too late to provide aid and that the best way of dealing with these situations is to intervene early. Does that form a part of your thinking, and is there a point at which you will intervene because the situation is worsening?

A: Last September, the United Nations Department of Human Affairs (DHA) issued an appeal on this. We received the appeal and thoroughly studied what we should do, and we decided to extend emergency aid in the amount of US\$500,000 to North Korea through the DHA. After that, none of the United Nations organizations, including the DHA, announced another appeal. Every now and then, they provide us with piecemeal information. On the basis of this information, we think that, although the food situation is severe, it has not yet caused a famine. In this sense, we are not studying the option of sending aid to North Korea through international agencies now. I told your colleagues that the United States is studying whether it should extend emergency aid to North Korea. They have not decided to do so, but if they decide to do so, the amount, seemingly, is rather limited — not so much as the Republic of Korea and Japan have provided in the past.

Q: During the Honolulu meeting of these three countries, was there any discussion on how to stem a possible North Korean exodus to Japan, the Republic of Korea, the People's Republic of China — because this is very directly related to the previous question of how late you would react in giving food aid?

A: They talked about the political situation of North Korea. They, more or less, again, shared the view that Kim Chong-il more or less controls the country, and that the economic situation is severe; however, in the near term, it seemingly is not leading to a crisis which will upset the present regime. That is basically how they view the present situation in North Korea. I am not sure if they talked about a possible exodus or not, but on the basis of this, it seems that the situation has not reached a critical stage.

#### IV. Japan-United States base realignment consultations

Q: Governor Ota of Okinawa suggested that he demand the United States close all the United States bases on Okinawa. What is the Central Government's reaction to this?

A: The meeting between the Central Government and Okinawa Prefecture presumably started at 14:00. We expect that the Okinawa Prefecture will give us its

action agenda on the realignment, consolidation and reduction of Okinawa bases. When we receive that, I think we will formally start to study what the Central Government can do. For the time being, I know there have been speculations on this, but I am afraid I cannot make any official comment on this now.

Q: Let me confirm — Okinawa is coming up with its own agenda on this?

A: Yes, but this does not necessarily mean that the Central Government can accept their ideas. But, they are going to give us their ideas, and we have been waiting for this.

Q: That leads to my second question — I understand that after Minister for Foreign Affairs Ikeda's visit to the United States, the two governments are probably now drafting the joint declaration in expanded security cooperation between Japan and the United States. How does this Okinawa issue (which is obviously a thorn) negatively impact this preparation? In other words, the Okinawa area is a very major pillar of the global American strategy, that is to be able to fight two large-scale regional conflicts almost simultaneously. Okinawa is part of that greater strategy, and we are talking about it in terms of the Japan-United States Security Arrangements. If this current confusion over Okinawa's bases prevails until April, will it not mean that the eminent joint declaration sounds rather horrible, because it spoils the United States strategy?

A: When Minister for Foreign Affairs Ikeda met Secretary of State Warren Christopher and Secretary of Defense William Perry of the United States in Washington, D.C., they once again confirmed the two governments' intention to issue a joint paper on the security relations between the two countries. This is one point. The two governments, I am sure, in due course, will start to prepare fully the wording of the joint paper. As far as this joint paper is concerned, the two governments will once again announce the importance of the present Japan-United States Security Arrangements, even in this post-cold war era. At the same time, the unfortunate incident took place on Okinawa, and both governments decided to set up a special action committee on the realignment consolidation and reduction of bases and other related matters. This committee will issue a final report by November this year. Therefore, what we can do when President Clinton visits is — now that the Okinawa Government is giving us their ideas about the base issue — we will fully study this plan and then talk to our American colleagues about what we can do. Minister for Foreign Affairs Ikeda said that at the time of President Clinton's visit to Japan, both Governments will show to the public the specific direction of

the study by the action committee. So, we do not know to what extent we can concretely tell the public about the progress of the Okinawa base issues. But, I am sure that the progress of study will be duly reflected in the joint paper. I do not think that this issue will dominate President Clinton's visit to Japan. Of course this is a very important issue. We will sincerely deal with this matter, but when President Clinton comes, we will not only talk about the security relationship, but also about other aspects of the bilateral issues — such as the economic and trade relationship and the so-called common agenda. I do not think the base issue will negatively affect the joint paper.

#### V. Japan-United States-Republic of Korea consultations

Q: You said that Japan, the United States, and the Republic of Korea more or less shared the view that Kim Chong-il controlled the country. Can you elaborate on the Japanese position on that? Is Japan thinking that it is Kim Il-yong who is more in charge of the country or less?

A: Again, the Japanese Government, also, does not know clearly what is happening over there. Our basic understanding is, although Mr. Kim Chong-il has not received the post of Secretary General of his party, or the head of state yet, more or less he controls the country. That is all we specifically know. We are not in a position to make a specific comment on how he governs the country or when he is going to be the General Secretary.

Q: By saying "more or less," you suggest that there are big question marks on the stability of the regime, right?

A: We understand that the economic situation is severe, but that it is not leading to a crisis which will upset the present Kim Chong-il regime. However, to be frank, we do not know how stable his position is, but we understand that, more or less, he governs and controls the country.

#### VI. People's Republic of China-Taiwan relations

Q: Could you tell me what your Government's view is of the People's Republic of China's recent threats towards Taiwan?

A: As far as THE NEW YORK TIMES report is concerned, we checked with the United States, and as you know very well, the United States Department of State has denied this. What I can tell you about the Japanese position is that we understand that the People's Republic of China has not abandoned the right to use force against a plot — say, a possible interference by a foreign force on the unification of Taiwan; and that

the Japanese Government is naturally interested in the situation between the People's Republic of China and Taiwan. The Japanese Government has not obtained any specific information that a possible use of force by the Government of the People's Republic of China will be imminent. In any case, the Japanese Government sincerely hopes that any problems concerning Taiwan will be solved peacefully by the parties concerned.

Q: Could you be more specific about the problems? What problems?

A: We cannot specify their problems, but they may tell you that there may be an independence movement; that there will be a possible conflict between the two parties, and so on. Whatever problems they may have, we sincerely hope that they will be solved peacefully, because the People's Republic of China and Taiwan are so close to Japan. If a conflict takes place over there, it will directly affect us.

Q: I read a recent statement that suggested the joint statement to come would recommend or reconfirm the United States' and Japan's cooperation in dealing with People's Republic of China-Taiwan problems. I wonder in what way the United States and Japan can cooperate or what cooperation Japan would like to have.

A: I do not know specifically which cooperation you are talking about, but what I can tell you is rather general. As you know very well, Japan and the United States are enjoying close ties on the basis of the Security Arrangements between the two countries, and we sincerely believe this helps the peace and stability of the Asia-Pacific region. Therefore, establishing and developing a very close relationship, especially based on the Security Treaty, itself contributes to peace and stability in the region. Apart from that, if your question is whether Japan and the United States are talking about a possible military cooperation in the case of military conflict in that area, what I can tell you is that the Japanese Government will take appropriate measures under the present Constitution, and under the present Japan-United States Security Treaty.

Q: Which would mean effectively, outside a certain zone there will be no military action?

A: It is difficult for me to answer hypothetical questions, but under the present Japanese Constitution, we cannot implement the collective security right. Within this constraint, and within the context of the Japan-United States security relationship, the Japanese Government will carry out its responsibilities. I understand my answer is very vague. What I can tell you is limited. On the other hand, it is not true that Japan and the United States are now engaged in a specific program

of collaboration in the case of military conflict between the People's Republic of China and Taiwan.

Q: Or even planning that?

A: It is very difficult for me to explain answers to hypothetical questions. Have you obtained any classified information about this? I do not think that would be the case.

Q: With great respect — a fraction.

A: Of course, we constantly exchange views and information about the situation of various parts of the Asia-Pacific region with the United States Government.

Q: Will any threat to Taiwan and the surrounding area of Taiwan not be seen as a threat to Japan?

A: What I can tell you now is that we are watching with great interest the situation over there, but we do not think that the situation over there is so critical or that military conflict will be imminent. Thank you very much.

**Japan: Okinawa, National Government Meet on Bases Program**

*OW0102122696 Naha RYUKYU SHIMPO in Japanese 1 Feb 96 Morning Edition p 2*

[FBIS Translated Text] A meeting of working-level officials of the national government and Okinawa was held at the Prime Minister's Official Residence on the afternoon of 31 January to discuss the draft "Action Program for the Return of U.S. Military Bases" presented by Okinawa to the national government, and Okinawa's "International Urban Community Formation Plan." Officials of concerned government ministries and agencies were given a detailed briefing on the prefectural government's plans.

During the meeting, the national government pointed out that some facilities and sites whose return the Okinawan Council for the Promotion of the Conversion of Military Land, and Base Issues (Gunkenkō) had already demanded — such as the Iejima Auxiliary Airfield — are included in Phase C of the draft "Action Program," which groups the last facilities to be returned. The compatibility of the program with longstanding demands made by Okinawa was questioned.

Answering the national government's question on how to secure employment for civilian employees working for the U.S. forces after the return of the bases, the Okinawan side indicated that, "We would like to think of this in the context of overall industrial and employment policies in Okinawa. We will speed up coordination within the prefectural government and with the local governments."

The national government also asked the following questions: "What happens if facilities included in Phase B are returned ahead of schedule because of their links with facilities in Phase A?" "What happens to facilities included in the later stages of the program which the United States declares to be unnecessary?"

In response, Okinawan officials stated their basic position that the national government should promote the systematic and gradual return of U.S. military facilities and sites in line with the newly formulated action program and international urban community plan. As for concrete details, Okinawa will speed up coordination with the local governments and other concerned offices, and will convey to the national government the steps it plans to take.

Participants in the meeting included: Yasumasa Higa, coordinator at the Planning and Development Department of the Okinawa government; and Masaaki Aguni, director of the Military Base Affairs Office; and representing the national government were division chiefs from the Cabinet Councilors' Office on External Affairs, the Ministry of Foreign Affairs, the Defense Facilities Administration Agency, and the Okinawa Development Agency.

**Japan: Article Views Security Arrangements With U.S.**

*OW0102133996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jan 96 Morning Edition p 7*

[By Hisayoshi Ina, NIHON KEIZAI SHIMBUN editorial staff member]

[FBIS Translated Text] The fact is, the work needed to reconfirm the Japan-U.S. security arrangements when President Clinton comes to Japan in April is done. This is because of a sentence the Japanese Government casually incorporated in the Defense Outline Plan approved last year. It seems that the debate over the right of collective self-defense will move toward settlement by making flexible interpretations of the right of individual self-defense.

Secretary of Defense Perry awarded a meritorious medal to officials in charge of policies with Japan, including acting Deputy Secretary of State Campbell, on 6 December 1995. This was meant to applaud their efforts for the so-called Nai initiative, which explains the significance of the Japan-U.S. security arrangements; in dealing with the Okinawan incident [rape of an Okinawan schoolgirl by U.S. servicemen]; and in mapping out a draft joint declaration on the Japan-U.S. security treaty. But the most concrete outcome was Japan's new National Defense Program Outline..

(Then) Deputy Secretary of Defense Nie, who was at the commendation ceremony, reported to the defense secretary that "the new outline mentions the Japan-U.S. security treaty 13 times." This is a major change compared with the 1976 defense outline, which mentions the Japan-U.S. security treaty in only two places.

#### **Intentions Incorporated in Clause on "Various Situations"**

Most important of all is Clause (b) on "response to large-scale disasters and various other situations."

It states: "Should a situation arise in the areas surrounding Japan which will have a significant influence on national peace and security, make an appropriate response in accordance with the Constitution and relevant laws and regulations, for example, by properly supporting United Nations activities when needed, and by ensuring the smooth and effective implementation of the Japan-U.S. security arrangements." This is the new outline's seasoning that is not perceptible to the ordinary eater, and what is in the minds [of Defense Agency officials] is an emergency on the Korean Peninsula.

This clause is very important to U.S. authorities in charge of security policies. Emotional discussions endanger the Japan-U.S. security treaty, and what Chalmers Johnson pointed out in Foreign Affairs magazine encouraged emotional discussions in the United States. He said: "The Pentagon should study a scenario in which Japanese battleships stand idle while the United States shoulders the risks of defending the ROK."

This issue has been talked about in Japan in relation to constitutional interpretation of the right of collective self-defense. Clause (b) points out the need for smooth and effective implementation of Japan-U.S. security arrangements in dealing with this kind of situation, and the United States accepted it positively.

According to what the government explained at a Diet interpellation, the right of collective self-defense is "our right to prevent, by force, other countries from launching armed attacks on countries close to us." It is said that although Japan has this right, Article 9 of the Constitution does not allow us to exercise it.

In the spring of 1994, when the Korean Peninsula situation was tense, the United States asked Japan to study the possibility of sending minesweepers. Japan reportedly refused the request on the grounds of its constitutional interpretation over the right of collective self-defense.

The fact is, however, Japan refused to accept the request not because of the constitutional interpretation,

but because the request was made by the 7th Fleet to military authorities of the Defense Agency's [DA] Maritime Staff Office and the DA did not have the right to respond to such a request. A response would have been different had it been an official request at a higher political level.

Although it depends on actual conditions, we can understand mine sweeping, if it was to be done in international waters, as a use of the right of individual self-defense for the protection of the safe passage of Japanese warships. It is unreasonable to say that mine sweeping operations in international waters are an "act of using force to deter armed attacks," described in the definition of the right of collective self-defense.

At that time, authorities of the Department of Defense were saying: "We are not expecting a situation in which the Self-Defense Forces' F-15's fly in the ROK's territorial skies and minesweepers conduct operations in North Korean territorial waters." The U.S. request was not meant to change the constitutional interpretation over the right of collective self-defense, but for logistical support to deal with an actual situation. We can say that Clause (b) of the new outline clearly spells out Japan's stand to accept such a request.

#### **Japan, U.S. Urged To Hold Discussions on Concrete Cooperation**

There is a political movement that seeks to change the constitutional interpretation regarding the right of collective self-defense. We need to give consideration to its possible impact on other countries as we study such a change.

The North Korean situation is still uncertain, and we cannot be optimistic about it. Regarding the suspected nuclear arms development, however, processes through the Korean Energy Development Organization (KEDO) are being promoted. We may end up sending a wrong signal if we start public debate in Japan by assuming an emergency situation on the Korean Peninsula.

The Japan-U.S. security system is a combination of the collective right of self-defense of the United States and Japan's right of individual self-defense right. The new outline attaches importance to the Japan-U.S. security treaty, and this line made both countries even closer. The former defense outline states that the Self-Defense Forces, in principle, will deal with a situation on its own if Japan faces a direct invasion. It expects that the U.S. Forces will assist the Self-Defense Forces later. However, the new outline states that Japan and the United States will jointly deal with such a situation from the beginning.

An emergency on the Korean Peninsula is a more serious crisis for Japan than for the United States. It is highly possible that an act to cope with such a crisis will invoke not the right of collective self-defense, but the right of individual self-defense. Therefore, concrete discussions on Japan-U.S. cooperation within the framework of Japan's individual self-defense right is more important than loud debate over the right of collective self-defense.

Clause (b) of the new National Defense Program Outline has realistic significance as a foundation for holding discussions on Japan-U.S. cooperation. Needless to say, we need to apply the brakes to exercising the right of individual self-defense, and this is a control function of politics. It is true that we feel uneasy about this point as far as debates made during formation of the new outline are concerned. This is the problem in the true sense of the word.

#### Japan: JAL Head on Lobbying if U.S. Rejects Route Bid

OW0102143396 Tokyo YOMIURI SHIMBUN in Japanese 1 Feb 96 Morning Edition p 7

[FBIS Translated Text] Akira Kondo, president of Japan Air Lines (JAL), commented at a regular news conference on 31 January on the objection by United Airlines (UA) to JAL's plan to start a new route between Narita and Kona (in Hawaii). He said: "If the U.S. Department of Transportation turns down our application, we should ask the Japanese Government to respond accordingly."

Kondo's remark indicated he felt the Japanese Government should consider unilaterally scrapping the existing Japan-U.S. aviation pact as an option. The JAL president also claimed UA's objection was groundless, saying: "The flight route to Kona replaces a defunct route to Washington. Such a replacement is recognized under the interim accord to the Japan-U.S. Aviation Treaty."

On this issue, JAL has also submitted a statement to the U.S. Department of Transportation, countering the UA statement of opinion which it presented earlier.

Meanwhile, Northwest Airlines, sensing that UA's action is not such a wise move as it could lead to the scrapping of the existing aviation pact, has submitted a statement of opinion supporting JAL's claim. The issue, therefore, has become quite complicated.

#### Japan: Negotiators Voice 'Concern' Over U.S. Shipping Talks

OW0102140496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Feb 96 Morning Edition p 7

[FBIS Translated Text] The Japanese and U.S. governments on 29-30 January held talks on shipping systems in Washington. On the issue of bills revising foreign shipping operations, which Congress is currently debating, Japanese negotiators expressed concern over the U.S. Government's attempts to enforce stricter application of its policy to encourage competition. They fear this could adversely affect the effectiveness of an international shipping alliance. U.S. negotiators, however, showed their understanding on this point.

Moreover, in response to a Japanese request that the U.S. Government make a pledge at World Trade Organization (WTO) talks to liberalize its shipping industry, U.S. negotiators said: "We will continue responding to the WTO talks, although we will not change our policy stance."

U.S. negotiators asked that Japan change its harbor loading and unloading practices. In response, Japanese negotiators reiterated: "Such practices are not subject to government control. It is a matter to be discussed between shipping companies and labor unions."

However, Japanese negotiators explained that, among other things, shipping companies and labor unions have agreed to gradually phase out the requirement to weigh cargo containers and have, therefore, tried to win the understanding of their U.S. counterparts.

#### Japan: Minister Denies Knowledge of U.S. Chip Offer

OW0202040896 Tokyo KYODO in English 0333 GMT 2 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — International Trade and Industry Minister Shunpei Tsukahara said Friday [2 February] he has no knowledge of a reported U.S. offer to extend a bilateral semiconductor trade agreement with Japan that is due to expire in July after deleting a numerical target in the pact.

"Our stance on the chip pact is already set, and we will explain that there is no need to renew the accord," Tsukahara said at a news conference.

The bilateral pact calls for foreign chip makers to control more than 20 percent of the Japanese market, a goal which has already been met.

The Japanese daily MAINICHI SHIMBUN reported that the United States had sounded out Japan about renewing the pact without the 20 percent target.

Meanwhile, Tsukahara said an Economic Cooperation Division of the Industrial Structure Council, an advisory panel to the ministry, will file a report Monday that is expected to urge private-sector financial and technical commitments to economic aid to Asia.

Relevant divisions of the ministry are "looking forward to the report," Tsukahara said, adding that the ministry will press ahead with whatever it can do when it receives the advice.

#### **Japan: Hashimoto Welcomes Lowering of U.S. Discount Rate**

*OW0202130496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Feb 96 Evening Edition p1*

[FBIS Translated Text] On the morning of 1 February, Prime Minister Ryutaro Hashimoto positively assessed the Federal Reserve Bank's (FRB) decision to lower the official discount rate, saying: "I have received various information. However, it is good timing."

#### **Japan: SDPJ's Murayama Urges PRC To End Nuclear Tests**

*OW0202134796 Tokyo KYODO in English 1150 GMT 2 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — Social Democratic Party [of Japan] (SDP) [SDPJ] chief Tomiichi Murayama urged China on Friday [2 February] to refrain from staging further nuclear tests now that France has declared its just-completed test series in the South Pacific will be the nation's last.

Murayama, former prime minister, made the remark in a meeting with the Chinese Ambassador to Japan, Xu Dunxin, at the SDP headquarters in Tokyo.

But Xu, while noting, "we understand the feelings of the Japanese people," reiterated Beijing's long-held position that it has exerted restraint in conducting nuclear tests.

He also said that Beijing is thinking about joining a comprehensive test ban treaty, expected to be signed later this year.

China, which exploded its first atomic bomb in 1964, has said it will halt nuclear testing when the comprehensive treaty comes into force.

French President Jacques Chirac announced Monday that his country would cease all testing following the final test in its latest series and its 210th nuclear test overall, staged at Fangataufa atoll in the South Pacific two days earlier. That leaves China as the only nuclear power outside a test moratorium.

The other known nuclear powers are Britain, Russia and the United States.

Xu also conveyed Beijing's displeasure at a campaign by several SDP legislators to nominate jailed Chinese pro-democracy leader Wei Jingsheng for this year's Nobel peace prize.

Wei, one of China's most prominent dissidents and a Nobel peace prize nominee already in 1995, was sentenced to 14 years in prison in December last year on a charge of conspiring to overthrow the government.

SDP Secretary General Kanju Sato reassured Xu that the legislators were acting as individuals and not as party representatives.

#### **Japan: Ikeda Proposes Higher Level Dialogue With SRV**

*OW0202141496 Tokyo KYODO in English 1338 GMT 2 Feb 96*

[FBIS Transcribed Text] Phuket, Thailand, Feb. 2 KYODO — Japanese Foreign Minister Yukihiko Ikeda proposed in talks Friday [2 February] with Vietnamese counterpart Nguyen Manh Cam that regular political dialogue between Japan and Vietnam be upgraded to the vice-ministerial level.

Japanese Foreign Ministry officials said Ikeda made the proposal in 40 minutes of talks with Cam on the Thai resort island of Phuket, where both were attending a meeting to prepare for the holding of a 25-nation Asia-Europe summit meeting next month in Bangkok.

Only last Wednesday, Japanese and Vietnamese officials met in Tokyo for their first vice-ministerial dialogue on economic issues, which stems from a bilateral agreement reached during Vietnamese Communist Party chief Do Muoi's visit to Japan last April.

Officials said Cam told Ikeda that Vietnam's relations with Japan have been progressing rapidly, noting that Japan has become his country's largest trading partner.

Cam expressed confidence that Japan would become Vietnam's biggest source of foreign investment in the near future, despite ranking third behind Taiwan and Singapore on a cumulative basis.

Ikeda pointed out that more investment flowed into Vietnam from Japan last year than from any other country. In 1995, Japanese projects worth 1.21 billion dollars were approved by Vietnamese licensing authorities.

Officials said Cam thanked Japan for its generous provision of official development assistance (ODA).

At a donor conference in Paris last October, Japan pledged to provide Vietnam with 2.3 billion dollars in ODA for the 1996 Japanese fiscal year.

Ikeda told Cam that Japan would continue to complement its financial assistance to Vietnam by providing advice and know-how to facilitate that country's economic development.

Cam said Vietnam looks to Japan for various forms of support as it embarks on a new industrialization scheme from 1996.

Officials said the scheme is likely to be announced when the Vietnamese Communist Party holds its next congress, which is expected in June, and begins a new five-year economic plan.

Cam extended an official invitation to Ikeda to visit Vietnam, which Ikeda pledged to consider positively.

#### **Japan: SDF Advance Team Leader on Golan Heights Mission**

*OW0202041196 Tokyo KYODO in English  
0150 GMT 2 Feb 96*

[FBIS Transcribed Text] Damascus, Feb. 2 KYODO — The leader of an advance team of Japanese Self-Defense Forces (SDF) personnel dispatched on a UN peace-keeping operation in the Israeli-held Golan Heights expressed confidence Thursday [1 February] for their mission.

"We want to implement our designated duties based on skills we have cultivated," Maj. Masahisa Sato, who leads the 16-member advance group, told reporters upon arrival at the Damascus International Airport.

"I inspected the Golan Heights last October and I felt the situation has subsided. I have no anxiety," Sato said.

It is the third time Japanese SDF personnel have participated in UN peacekeeping missions, following operations in Mozambique and Cambodia.

The group, which includes two officers as command staff, goes directly to the UN Disengagement Observer Force (UNDOF) based at Faouar, Syria.

On Friday, the group will go to Ziouani on the Israeli-occupied side, where the Japanese squad will be based, to begin preparations for the arrival of the remainder of the Japanese peacekeepers.

The remaining 29 members are scheduled to arrive in Syria on Feb. 8, prior to a ceremony Feb. 12, marking them as replacements to assume the duties of a group of Canadian peacekeepers. The SDF group will assume their duties from Feb. 23.

They will be responsible for transporting food and other daily necessities for UNDOF, as well as road maintenance. They will spend six months in Syria before being replaced by another Japanese contingent.

The group will be armed with two machine guns and 32 automatic rifles.

Although there is little possibility of a clash between Israeli and Syrian soldiers in their zone of their operations, rules of engagement issues on the use of weapons in the event they are caught in a dispute and the transport of weapons and ammunition remain unresolved.

The Japanese UNDOF contribution will last two years, with contingent members being replaced every six months.

#### **Japan: Land Agency Seeks Increased Exchanges Within Asia**

*OW3001090096 Tokyo KYODO in English  
0802 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — The National Land Agency is seeking to improve international exchanges between Japanese provincial cities and Asia municipalities with the staging of symposiums and a survey next month, agency sources said Tuesday [30 January].

The symposiums with researchers from throughout Asia will be held in Fukuoka on Thursday and in Ginowan, Okinawa Prefecture, on Feb. 7, to consider "change policies in the fields of economics, culture and academia.

The survey will cover 10 cities in Asia, including Hong Kong, Singapore and Ho Chi Minh City, and nine Japanese cities, including Niigata, Fukuoka and Nagasaki.

It will cover such topics as the state of exchanges between the Japanese and Asian cities and what may be done in the future.

A report on the infrastructure of cultural exchanges such as airports and conference halls based upon the survey is expected to be submitted by the agency's research group for regional activation through the sphere of international exchanges.

The survey and symposiums are tied in with the agency's work on its "grand design" for the 21st century which will form the basis for Japan's next general development plan.

The agency is undertaking the projects in the wake of growing regional moves toward closer economic and cultural ties.

An example of such moves is an economic exchange sphere centered on the sea of Japan coasts, including

Japan's coastal cities, the Korean Peninsula, northeastern China and the Russian Far East, for technological cooperation and corporate investment.

Another example is a sphere around the Yellow Sea for the promotion of joint ventures and international conferences among the administrations and chambers of commerce of two southwestern Japanese cities — Kitakyushu and Shimonoseki — plus Pusan in South Korea and Qingdao in China.

#### Japan: MOT Sponsors Asia-Oceania Aviation Forum

OW0202043496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Feb 96 Morning Edition p 7

[FBIS Translated Text] It seems that the "Asia-Oceania Regional Aviation Forum," which started on 31 January in Kyoto under the auspices of the Ministry of Transportation [MOT], will announce a declaration aimed at improving efficiency of air transportation through policy cooperation among member nations. A draft of the declaration, which is composed of five items, shows an understanding toward the promotion of competition in aviation markets and the expansion of transportation capabilities, saying that "application of the existing bilateral accords is effective." The draft also checks the United States, which insists on liberalization of aviation markets by signing a multilateral accord. It is likely that the draft will invite opposition from the United States at the Asia-Pacific Economic Cooperation council meeting (APEC).

The draft contains common understanding of all member nations on the need of policy cooperation within the region. For example, it urges cooperation among aviation companies, including joint business operation, within the scope of not hindering competition between themselves. Since many countries in Southeast Asia limit "ground handling operations" such as loading and unloading cargo to their domestic companies and public corporations, the aviation forum will study the possibility of expanding foreign companies' chances of making inroads into the Southeast Asian markets by easing regulations.

Asia is a region where the growth of demand for aviation services is the largest in the world. The International Aviation Transportation Association (IATA) predicts that international flight passengers within the region and those who travel between the region and other regions will count for more than 50 percent of the number of the world's air travelers by 2010.

To cope with this rapidly growing number of international travelers, the draft declaration points out that the current framework, designed to expand number of

flights and companies in accordance with bilateral aviation accords, is effective. This is a view different from that of the United States, which, under the banner of its open-sky policy (liberalization of aviation markets), calls for major liberalization.

The MOT, which sponsored the forum, envisages playing the leadership role in forming common policies, which APEC is currently studying. APEC's aviation subcommittee, which worked out a draft in late October last year, plans to finalize the draft as a measure to promote competition within the region at a working-group meeting on transportation slated to be held in April in Vancouver.

APEC with the Americas as its members is a consultative organization that covers the largest region as far as policy coordination in Asia is concerned. The MOT invited ASEAN member nations, China, the ROK, Australia, and other countries to the forum. But the United States was not invited.

The United States is increasingly becoming cautious about the movement for [promoting] cooperation among the Asian countries without the "Americas." A senior executive of an American airline company criticized the MOT, saying: "The MOT is trying to spread out a "bamboo curtain" in Asia." The Japanese side is reacting against the criticism, saying, among other things, that "the U.S. policies are designed to use multilateral accord to press us for liberalization while securing its superiority and this is against the world trend." (according to Akira Kondo, president of Japan Air Lines).

#### Japan: Major Banks Likely To Sell Shares in Brokerages

OW0202001996 Tokyo KYODO in English 0002 GMT 2 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — Fuji Bank has decided to sell part of its shareholdings in "big four" brokerage houses to finance its share in bad-loan write-offs for troubled housing loan companies, and other major commercial banks are likely to follow suit, a business daily reported Friday [2 February].

The NIHON KEIZAI SHIMBUN said Fuji Bank will sell a uniformly 20 percent of its stakes in Nomura Securities Co., Daiwa Securities Co. and Nikko Securities Co. by the end of March.

The only brokerage stock Fuji Bank will not sell is that of Yamaichi Securities Co., in which the bank holds 3.62 percent of the outstanding equity shares as the primary shareholder.

In view of possible liberalization of holding companies in Japan, Fuji Bank's move can be seen as preparation

before selecting a business partner in the securities field in case it wants to establish a holding company, the paper said.

It said other major commercial banks such as Dai-Ichi Kangyo Bank and Sakura Bank are apparently planning to sell their shareholdings in securities firms.

On the other hand, brokerages like Nomura, the biggest among the "big four" securities companies, are considering taking a similar move, it said, adding such a trend could change the bank-brokerage capital relationships from now on.

**Japan: Panel Hands Deregulation Requests to MOF**  
*OW0102132696 Tokyo KYODO in English*  
*1255 GMT 1 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — A panel of the ruling coalition studying administrative reform presented the Ministry of Finance (MOF) on Thursday [1 February] with a five-point financial deregulation package which is expected to accelerate the yen's depreciation.

The package designed to promote overseas investments and financing by Japanese companies included easing regulations on overseas deposits for investment purposes, and account settlements in foreign currencies between domestic companies.

Eisuke Sakakibara, head of the MOF's international finance bureau, said the ministry will study the proposal although it involves money-laundering and other difficult problems.

MOF sources said the ministry intends to submit concrete deregulatory measures to the three-party coalition by mid-February.

The proposed deregulation is expected to contribute to the yen's depreciation by stimulating corporate demand for foreign currencies.

**Japan: RTC To Collect Loans at 3 Failed Credit Unions**

*OW2801060396 Tokyo KYODO in English*  
*0448 GMT 28 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — The finance ministry and the Bank of Japan will entrust the planned Japanese version of Resolution Trust Corp. (RTC) of the United States with the task of collecting bad loans at three failed Tokyo credit unions, an economic daily said Saturday [27 January].

Bad loans which came in the wake of the collapse of Tokyo Kyowa, Anzen and Cosmo credit unions are

currently being recovered by a firm designated by the Tokyo Society of Credit Cooperatives.

The ministry and the central bank decided it was impossible to have efficient and smooth collection of the loans by the private sector alone, the NIHON KEIZAI SHIMBUN said.

The three credit unions went bankrupt last year.

Of 36.7 billion yen in bad loans left behind by Tokyo Kyowa and Anzen that are deemed recoverable, only 600 million yen has actually been recovered, the paper said.

In March, loan collection for Cosmo will be shifted to the Tokyo Society of Credit Cooperatives-designated agency, but the Bank of Japan and finance ministry believe the agency will again have difficulties in collection, the daily said.

The agency created by the credit union industry group will be eventually merged into the Japanese version of the RTC, it said.

The finance ministry and the Bank of Japan plan to establish an organization similar to the RTC this summer to take over operations of failed financial institutions.

The RTC is a U.S. Government organization set up in 1989 to dispose of real estate and other property holdings that fell into government custody after the bankruptcies of several savings and loans in the 1980s.

**Japan: Banks Required To Extend Over 1 Trillion Yen for 'Jusen'**

*OW3001121996 Tokyo KYODO in English*  
*0853 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Japan's three long-term credit banks will be required to extend a total of 1.17 trillion yen in low-interest loans to an organ to be created to buy assets from seven failed housing loan companies, or jusen, for their liquidation, according to estimates released by financial industry sources Tuesday [30 January].

The Long-Term Credit Bank of Japan (LTCB) will be the single largest provider of loans estimated at 490 billion yen, the sources said.

The government-drafted liquidation plan for the seven housing loan firms envisages the asset-buying organ getting low-interest loans of 6.78 trillion yen, which will be equally split among three groups of lenders — founder banks, ordinary banks and agricultural financial institutions.

Loan amounts required for individual banks will be determined in accordance with such factors as their outstanding balances of loans to the housing lenders.

In addition to the long-term credit banks, trust banks will be required to lend a total of 930 billion yen, major commercial banks 920 billion yen, life insurance companies 440 billion yen, regional banks 390 billion yen, and second-tier regional banks 260 billion yen, according to the estimates.

But because regional banks, including second-tier banks, are not financially strong enough to extend the expected loans, founder banks and other stronger banks may be asked to assume a greater financial burden, the sources said.

#### **Japan: Cabinet To Approve 'Jusen' Information Disclosure**

*OW0202041896 Tokyo KYODO in English  
0355 GMT 2 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — The cabinet aims to approve later Friday [2 February] or Monday a Diet demand to release further information on seven failed housing loan companies to be liquidated with taxpayers' money, requesting the Diet to release it at a closed session, the top government spokesman said.

"We know well the people are highly interested in the matter, but we are not asked by the mass media or the people to disclose the information," Chief Cabinet Secretary Seiroku Kajiyama said.

The lower house budget committee passed a resolution Thursday, demanding the government release more information on the housing loan companies, known as "jusen."

House of Representatives Speaker Takako Doi asked Finance Minister Wataru Kubo on Thursday to disclose the outcome of the ministry's inspections in 1991, 1992 and 1995 of the troubled mortgage companies by 9 A.M. Monday and the names of the top 100 debtors of the firms and financial situation of the top 50 of the 100 debtors by 9 A.M. next Wednesday.

Kubo will ask the lower chamber to consider the fact that the administration has an obligation of confidence and must protect privacy, Kajiyama said, adding that the cabinet will discuss how to deal with the issue, such as whether to request the lower house to accept the information at a closed door session.

The lower house is likely to think over the condition to be submitted and then again ask Prime Minister Ryutaro Hashimoto for disclosure of the data, the spokesman told a press conference.

The cabinet hopes to hold an extra gathering later Friday or by 8:30 A.M. Monday to give the green light and submit the information to the lower house before the 9 A.M. deadline, he said.

During a regular cabinet meeting Friday morning, Kubo expressed an intention to disclose the information demanded as much as possible because the government is asking taxpayers for their burden to help dispose of the housing loan companies, Kajiyama said.

Justice Minister Ritsuko Nagao urged other ministers to be careful so the information would not leak out, he said.

The government is under fire over its plan to use at least 685 billion yen, possibly more than 1 trillion yen, of taxpayers' money to help liquidate the seven mortgage companies, which have virtually gone bankrupt due to heavy unrecoverable loans to realtors.

#### **Japan: Budget Panel To Resume 'Jusen' Debate 5 Feb**

*OW0202082596 Tokyo KYODO in English  
0749 GMT 2 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — The powerful House of Representatives budget committee agreed Friday [2 February] to resume debate Monday on the housing loan scandal and other outstanding issues, with members of the largest opposition Shinshinto (New Frontier Party) taking part.

The agreement emerged from a meeting of directors of the lower house budget committee, parliamentary sources said.

The accord came shortly after the budget panel resolved once again to demand that the government make public more information on seven failed housing loan companies which will be liquidated with the use of taxpayers' money.

For the second day in a row, the budget committee passed the same resolution in the absence of Shinshinto members who have been critical of the government's handling of the housing loan scandal.

The scandal is one of the first major crises to threaten the newly inaugurated government of Prime Minister Ryutaro Hashimoto.

The information demanded is the names of the 100 major debtors of the troubled companies, known as "jusen," the financial situation of the top 50 debtors out of the 100, and the outcome of Finance Ministry's inspections of the seven companies in 1991, 1992 and August 1995.

The housing loan firms are virtually bankrupt due to massive loans they made mainly to realtors and which they have not been able to collect.

The lower house panel on Thursday initially made the disclosure demand based on the law on parliamentary testimony. Refusal to meet requests for information based on the Diet testimony law can result in punitive action.

The budget panel passed the resolution with the support of members of the three ruling parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — and the Japanese Communist Party.

Shinshinto has boycotted the session since Tuesday, demanding more disclosure of information on the jusen issue.

Despite the budget panel's resolution, the Finance Ministry has refused to surrender documents on the jusen case, citing the need to keep them secret.

#### **Japan: Loan Write-Off Plan 'Under Fire' From Coalition**

*OW0202130696 Tokyo KYODO in English  
1130 GMT 2 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — The Finance Ministry's plan to allow tax-exempt write-offs of loans to seven troubled housing mortgage companies came under fire from members of the three ruling coalition parties, coalition sources said Friday [2 February].

At a meeting of the ruling coalition's Tax Commission, many participants complained about the ministry's plan to permit a tax break for financial institutions which made loans to the virtually bankrupt companies, the sources said.

Those participants insisted such preferential tax treatment is unfavorable at a time when there is strong dissatisfaction among the people about the government's scheme to liquidate the debt-ridden mortgage companies with taxpayers money, the sources said.

Under the ministry plan, tax-exempt write-offs will be applied to 3.5 trillion yen in loans by banks which founded the seven mortgage companies and 1.7 trillion yen by other creditor banks.

The steps will also be allowed for 530 billion yen in donations from agricultural financial institutions to a factoring vehicle which is to be created to take over remaining loans at the mortgage companies after their liquidation.

Agricultural institutions, major creditors to the housing loan companies, will be repaid all the principal of their loans to the mortgage companies. They will donate 530 billion yen from the principal to the factoring vehicle.

The government's liquidation scheme for the mortgage companies calls on the founder banks, agricultural institutions and other creditor banks to extend a combined 6.78 trillion yen to the vehicle, with interest rates lower than prevailing market rates.

The ministry plans to exempt from corporate taxes the money the three groups would earn if they extend loans at market rates.

The ministry says these tax breaks are not an exceptional step.

It is a step in line with the ministry's official notice on the corporate tax when companies liquidate subsidiaries and other entities, it says.

If the government does not decide to liquidate the mortgage companies, however, the National Tax Administration Agency will not allow the founder banks and other financial institutions to write off their loans to the mortgage companies free of tax, taxation sources said.

Analysts said Japanese banks are now enjoying record profits thanks to the bank of Japan's easy monetary policy.

The tax breaks for them are intolerable for the people who will be forced to shoulder part of the costs for the liquidation of the mortgage companies with their own tax money, they said.

#### **Japan: Sources on Prospect of Lifting Holding Company Ban**

*OW0102145996 Tokyo KYODO in English  
1423 GMT 1 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — A government plan to lift the legal ban on financial holding companies and three other types of holding company may collapse, with the Fair Trade Commission [FTC] being unable to insert wording to remove the ban into an amendment to be submitted to the Diet by Feb. 9, coalition sources said Thursday [1 February].

The prospect of the plan being ditched surfaced Thursday after a meeting between a team of legislators from the three ruling coalition parties and FTC experts failed to produce tangible results on the proposed insertion of such wording, the sources said.

During the meeting, the coalition legislators failed to discuss the contents of an amendment to the anti-monopoly law currently being drawn up, the sources said.

The legislators also failed to set any legislative schedule for inserting the wording into the proposed amendment to the law prior to the Feb. 9 deadline by which it has to be submitted as a part of a package of bills related to the fiscal 1996 state budget bill, they said.

As a result, the FTC will have to submit the amendment without including any wording on the proposed removal of the ban on holding companies, they said.

Other portions of the amendment call for boosting the powers of the secretariat of the anticartel watchdog as well as for hiking the mandatory age ceiling for the retirement of an FTC chief, they said.

The legislators and FTC experts held a question-and-answer session on a report which was submitted last year by an advisory panel to the FTC concerning the propriety of removing the 50-year-old ban on holding companies, they said.

The legislators and FTC experts only agreed to relay the contents of the report to a meeting of veteran legislators of the coalition parties in charge of ironing out internal differences over policies, they said.

The veteran coalition legislators will be given a mandate to decide how to proceed on the matter, they said.

The business community and the Liberal Democratic Party have been pushing a plan to scrap all restrictions on holding companies, but the Social Democratic Party has demanded that certain curbs be maintained.

#### Japan: ANA Releases Operational Plan for 1996

OW0102130096 Tokyo KYODO in English  
1142 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — All Nippon Airways (ANA) on Thursday [1 February] released its operational plan for fiscal 1996 featuring an increase in the number of flights from and to Kansai international airport which was opened in Osaka in September 1994.

Starting in April, ANA will operate flights between the airport and Frankfurt, Milan, Rome, Vienna, Yangon [Rangoon] and Ho Chi Minh City, the second-largest Japanese airline said.

ANA will also begin daily flights between Kansai and Hong Kong, up from the current four per week, and increase the number of Kansai-Bangkok flights to six a week from five.

For domestic operations, ANA said it will start flying in April between Hakodate and Niigata, Hakodate and Hiroshima, and Aomori and Hiroshima.

#### Japan: Foreign Computer Procurement Figures Released

OW0102150196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Feb 96 Morning Edition p 7

[FBIS Translated Text] On 31 January, the Ministry of Foreign Affairs [MOFA] released information on government procurement of computer-related products for FY94. According to the data, foreign products accounted for 29.3 percent of all government purchases of computer-related goods. This is an increase of 1.4 percentage points over FY93. Of the total government purchases of computer-related goods and services in FY94, foreign products and services accounted for 24.2 percent, an increase of 0.9 percent over the previous fiscal year.

#### Japan: Gennen Approves Design Changes at Rokkasho-mura Plant

OW2601015996 Tokyo ASAHI SHIMBUN in Japanese 23 Jan 96 Morning Edition p 1

[FBIS Translated Text] Following a sudden rise in construction costs, the power industrial circles have been making unprecedented design changes to a nuclear fuel reprocessing plant that the private sector is constructing in Rokkasho-mura in Aomori Prefecture. In this regard, the Japan Nuclear Fuel Corporation [Gennen], which is the main contractor for the project (with its headquarters in Aomori City), approved a plan designed to significantly reduce the planned quantities of used plutonium processing and plutonium production to further reduce construction costs. Since the design of the facility will be changed considerably, it will be necessary for the Nuclear Power Safety Committee and other organizations to carry out safety inspections once again. Because of this, Gennen plans to delay the start of the plant's operations, which was set for 2000, by several years. A review of Japan's plutonium utilization plan, which evolves around the construction of the recycling plant, is unavoidable.

The recycling plant under construction in Rokkasho-mura will be one of the prominent facilities for extracting plutonium and uranium from used nuclear fuel in the world. According to the original plan, the plant was capable of processing a maximum of 800 tons of nuclear fuel a year.

Although its construction started in 1993, it seems likely that construction costs will be about twice as much as the publicly announced construction cost of 84 billion yen. Because of this, Gennen has been reviewing the plant's design.

According to power industrial circles, the process of refining plutonium extracted by melting nuclear fuel

will be reduced from the initially planned two systems [keito] to one. By doing so, it is said that Gennen will also be able to keep the construction costs down to the neighborhood of about 1.5 trillion yen.

The recycling plant, designed to process a large quantity of nuclear materials, will be regularly inspected by the International Atomic Energy Agency. In addition, it is necessary to inspect and replace apparatus frequently. A senior Gennen official said: "We will not be able to operate the plant all the time if the process is reduced to one system. Therefore, the plant's maximum processing capability will become considerably less than the 800 tons per year."

Since plutonium production will also likely go down, some people in the power industrial circles are of the view that "It will take us about 10 years before we can extract a large quantity of plutonium."

The foundation of Japan's plutonium utilization plan — designed to produce an average of 4.8 tons of plutonium a year on and after 2000 and burn the plutonium in reactors, including the fast breeder reactor "Monju," which recently had an accident — will go wrong.

Gennen informed the 19 January meeting, which was held between the presidents of nine electric power companies, of the design change. Hiroshi Araki, Federation of Electric Power Companies chairman, plans to report the design change to Aomori Prefectural Governor Morio Kimura and apply, if the governor approves, to the central government for an approval by the end of this week.

#### Japan: Legislators Reject FTC Revision of Antimonopoly Law

OW0202134596 Tokyo KYODO in English  
1154 GMT 2 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 2 KYODO — Three top ruling coalition legislators in charge of a proposed revision of the antimonopoly law decided Friday [2 February] to reject a bill prepared by the Fair Trade Commission (FTC) to amend the law, coalition officials said.

The legislators decided to draw up the coalition's own amendment bill before the Feb. 9 deadline for the bill to be submitted as a part of a package of bills related to the fiscal 1996 state budget, the officials said.

The coalition's own bill will be sketched out by next Wednesday after holding hearings with the business community and labor unions as well as with FTC experts on the matter, they said.

It remains to be seen, however, whether the three coalition parties can iron out their own differences over the proposal to remove a 50-year-old ban on financial holding companies and other types of holding companies by the deadline, they said.

A Liberal Democratic Party legislator in charge of industry and commerce policy matters said, "as we have a tripartite agreement to lift the ban on holding companies as long as it does not offend the antimonopoly law, we will be able to eventually overcome the gap" between the three.

However, a Social Democratic Party legislator in charge of the matter said, "we should not rush to a conclusion."

The FTC-drafted bill called for obligating a group of interlocked companies with a plan to transform themselves into a holding company and subordinate group companies to report the plan to the fair trade watchdog if the aggregate assets of the would-be holding company and its group members top a certain level on the order of a few hundred billion yen, they said.

The proposed amendment calls for authorizing the establishment of a holding company as long as such formation "does not result in the excessive concentration of the power to control business activities" of group companies under the holding company.

The SDP legislator said it remains unclear what factors would go into the definition of "excessive concentration."

#### Japan: Hata 'Faction' Starts Activities Within NFP

OW0102134496 Tokyo KYODO in English  
1314 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — A group of 69 supporters of former Prime Minister Tsumoto Hata within the main opposition party Shinshinto (New Frontier Party) started political activities as a virtual faction Thursday [1 February] in a move that could undermine the influence of party chief Ichiro Ozawa.

The Hata supporters held a study meeting at a Tokyo hotel and decided to name their group "Koshikai" (literally meaning aiming at ambitions).

The meeting was attended by 66 of the member legislators or their deputies, including former Prime Minister Morihiro Hosokawa, who leads the group with Hata.

Hata downplayed the political ramifications of the new grouping, saying it is a society for "pure studying."

The group plans to hold such meetings every Thursday at a hotel.

**Japan: LDP's Yamasaki, Kato, Koizumi Resume Activities**

*OW0102232696 Tokyo TOKYO SHIMBUN in Japanese 29 Jan 96 Morning Edition p 2*

[By Yoichi Toyoda: "Comeback of YKK Trio — The Trio Exercise Caution Against Veteran LDP Members Coming to the Fore Again"]

[FBIS Translated Text] Koichi Kato, secretary general of the Liberal Democratic Party [LDP]; Taku Yamasaki, LDP Policy Research Council chairman; and Junichiro Koizumi, former posts and telecommunications minister, are referred to as the "YKK trio." They recently resumed their trio activities after a 4-month suspension to take the initiative in steering the political world and promoting political reorganization. Behind this lies their concern that the debut of Seiroku Kajiyama as chief cabinet secretary may add momentum to attempts by veteran LDP Diet members' to come to the fore again.

On the night of 24 January, the YKK trio-led "Group Shinseiki," which is composed of mid-rank and junior LDP members, held a meeting, where they decided to open its door to Social Democratic Party of Japan [SDPJ] and New Party Sakigake [Harbinger] members. At the meeting, Koizumi declared the resumption of YKK trio activities, saying: "From now on, I will promote things while consulting with Kato and Yamasaki."

Since its inauguration in May, 1994, Group Shinseiki has called for a "generational change" in the LDP to draw attention to its existence. The group, however, became inactive after the YKK trio failed to take unified action in the LDP presidential race in September, 1995. In the election, Kato and Yamasaki supported Ryutaro Hashimoto as a candidate for new LDP president, while Koizumi came forward as a candidate. After the election, the YKK trio refrained from meeting each other.

At that time, Yamasaki described the trio's relationship as follows: "It is just like three intimate brothers, who used to live in the same house, become independent and live in separate houses."

Their relationship recently improved. The "debut of Kajiyama as chief cabinet secretary" made them decide to resume their unified activities, (according to one of the YKK trio).

Kato hopes to become prime minister after Hashimoto. He thinks that in order for him to be the next prime minister, it is necessary for the LDP, in cooperation with the SDPJ and Sakigake, to continue to hold power after the next general election.

However, if Kajiyama, Former Prime Minister Yasuhiro Nakasone, who advised Hashimoto to appoint Kajiyama as chief spokesman, and other veteran LDP members increase their clout and promote moves to form an "alliance between two conservative parties [the LDP and the New Frontier Party]," Kato will not be next prime minister.

Koizumi is worried that a possible alliance between the two conservative parties may lead to the resurgence of the "former Takeshita faction." Meanwhile, Yamasaki is reportedly at odds with veteran LDP members over the management of the former Watanabe faction. The YKK trio need to maintain their unity to fight successfully against veteran party members.

The trio held their "reunion" on the night of 12 January, the day after the Hashimoto cabinet was inaugurated. Since then, they have frequently met with each other. They have confirmed that maintaining the coalition government comprising the LDP, the SDPJ, and Sakigake should be the main pillar of their moves against veteran party members. While knowing that it might provoke Kajiyama, Kato has revealed his displeasure to people close to him over Kajiyama's recent remarks suggesting that it is better to "freeze" the infusion of public money to liquidate failed housing loan companies (known as jusen).

According to a senior member of the former Obuchi faction, there is a voice among veteran LDP members saying: "If the YKK trio seeks to form an alliance with the SDPJ and Sakigake, we will join hands with the New Frontier Party." As such, veteran LDP members intend to keep the YKK trio, particularly Kato, from promoting movements against them. However, the trio has resolved to accept veteran members' challenge. One of them said: "We resumed our activities aware of their intentions."

**North Korea**

**DPRK Talk Denounces ROK-U.S. Annual Joint Military Exercises**

*SK3101141896 Pyongyang Korean Central Broadcasting Network in Korean 0754 GMT 24 Jan 96*

[Unattributed talk: "Ominous Military Moves of the Warmongers"]

[FBIS Translated Text] The U.S. imperialists and the Kim Yong-sam puppet clique are crazily staging a confrontation and war commotion against our Republic. The Kim Yong-sam ring's recently published Defense White Paper defines us as the primary enemy, and announced

that beginning 1996, the United States and South Korea would conduct annual joint military exercises in addition to the Team Spirit joint military exercise.

As it has been reported, the Kim Yong-sam ring has placed the South Korean puppet army under the posture of winter operation, while talking about someone's armed provocation, and has devoted itself to reckless war game of northward aggression. Not long ago, the South Korean warmongers had conducted war exercises for northward aggression daily, including an aerial combined war exercise aimed at a surprise combined preemptive attack at the northern half of the Republic, a simulated exercise of special force operation for infiltration deep into our areas, and an object striking exercise. The South Korean warmongers has also brought armed bandits and heavy weapons into the DMZ, committing grave military provocations against us in succession.

The South Korean puppets, who are making a desperate effort to create a pretext for a war of northward aggression, recently forward deployed armed bandits of the puppet army to the combat positions on unnamed hills near the DMZ north of (Nosang-ri) and (Pangmong-ri) in Paju County in the west front. They were in a war frenzy wildly firing about 720 shots of 12.7-mm large-caliber guns and automatic rifles.

Such provocations are taking place daily. The puppet army's maneuvers of military provocation against us committed in the beginning of the new year near the Military Demarcation Line were extremely vicious. The entire world knows that, on 10 January, the South Korean puppets brought to Chinhae Port a U.S. nuclear-powered attack submarine equipped with anti-submarine attack weapons and missiles that are able to strike on inland targets, and conducted a combined anti-submarine exercise with the puppet army. Foreign media were correct in their reports that a U.S. aircraft-carrier combat corps comprising the aircraft carrier Independence, one or two nuclear-powered attack submarines, six destroyers, and scores of support ships, would conduct sea exercises in January near the Korean peninsula. The adventurous war exercise for northward aggression has in effect begun.

Timed with the war commotion in the beginning of the new year, South Korean puppet defense minister Yi Yang-ho called for vigilance against the North and perfect military preparedness, and ran about and begged for foreign forces' alliance in dealing with the North to harm fellow countrymen. On 13 January, he again uttered bellicose remarks that the provocation of the North can be deterred only when the South Korean

puppet army maintains perfect vigilance and operation posture.

Prior to this, the puppet defense ministry raved about the possibility of provocation by the North and stated that the ministry is doing its best to assure national security, citing its plan to conduct an ROK-U.S. [hanmi] combined exercises in the United States in February, and a large-scale maneuver exercise in March to replace the Team Spirit joint military exercise. This is an open challenge against us, who are making every effort to accomplish peace on the Korean peninsula. This also proves that the U.S. imperialists' and the Kim Yong-sam ring's ambition of a war of northward aggression remains unchanged.

On 13 January, the Kim Yong-sam ring arrested and indicted nine members of the South-side National Alliance for the Country's Reunification [Pomminnyon], including the Pomminnyon chairman, on charges of violating the fascist National Security Law. The Kim Yong-sam ring is also viciously perpetuating fascist suppression on the South Korean people's call for national reconciliation, unity, and reunification, and staging an anti-Republic confrontation commotion. By doing so, the Kim Yong-sam ring again exposed its true nature as a traitor, a war maniac, and an enemy of reunification, who does not care about peace and peaceful reunification of the country, but only pursues fascism, treason, division, and war.

This year, the traitorous Kim Yong-sam clique has perpetuated anti-Republic confrontation commotions and war exercises maneuvers of northward aggression more viciously than ever. This is because the traitorous Kim Yong-sam clique has been driven to the verge of destruction as an accomplice of the secret funds incident who received as much as 935 billion won of black money from traitor No Tae-u, and has become a target of overthrow by the South Korean people. Puppet traitor Kim Yong-sam tries to find a way out of such a crisis by strengthening North-South confrontation and the war exercise maneuver for northward aggression.

No one can guarantee that the Kim Yong-sam ring, which has lost its reason at a critical life-or-death stage and has recklessly run wild, will not ignite a war of northward aggression. However, the vicious war commotion and anti-Republic confrontation commotion of the traitorous Kim Yong-sam clique is its last-stage fit. A fire-loving moth is bound to be burnt by fire. If the Kim Yong-sam puppets make a clumsy firing, running counter to the demand of the times, they will be sternly punished by the nation. The U.S. war maniacs are no exception. Our people and men and officers of

the heroic Korean People's Army are closely watching every move of the rascals.

**DPRK Criticizes U.S.-ROK 'Computer Mock War' Plan**

*SK3101055196 Pyongyang KCNA in English  
0425 GMT 31 Jan 96*

[**'S. Korea-U.S. Combined Forces Command' Schemes To Stage Computer Mock War** — KCNA headline]

[FBIS Transcribed Text] Pyongyang January 31 (KCNA) — Over 300 brasshats of the South Korea-U.S. Combined Forces Command involving its deputy commander will stage a mock war on computerized maps in Texas, the U.S. in marching together with the U.S. 3rd Army Corps, a radio report from Seoul said.

This war exercise, which started early in 1990 as a training of commanding officers above the level of division and staff officers, is intended to increase the joint operability of South Korea-U.S. forces and intensify the U.S. troops' support to South Korea in case of "emergency".

This military scheme of the U.S. imperialists and the South Korean puppet clique proves that they seek a way out of South Korea's ruling crisis in stepping up war moves and watch for an opportunity to invade the North by deliberately aggravating the situation of the Korean peninsula.

**DPRK Daily Urges U.S., ROK To Cancel 'Provocative Exercises'**

*SKD202090896 Pyongyang KCNA in English  
0858 GMT 2 Feb 96*

[**"NODONG SINMUN on U.S.-S. Korea Military Moves Is Threatening Peace"** — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — If the United States and the South Korean puppets continue adventurous military exercises against the Democratic People's Republic of Korea and drive the situation to the brink of war, in defiance of the DPRK's repeated warnings, they will have to pay dearly for them and take the blame for all the possible consequences. We are keeping heightened vigilance against their ill-boding military moves.

The newspaper NODONG SINMUN today says this, commenting on the ominous situation which has been created in the Korean peninsula, posing a grave threat to the peace of the country and the destiny of the nation.

It continues:

The U.S. and the South Korean puppets have already worked out a reckless war plan against the DPRK and

are seeking to put it into practice. This is an unbearable challenge to the DPRK and a premeditated provocation aimed at disturbing peace and aggravating the situation in the peninsula. Their act clearly indicates that they do not want to see the peace and peaceful reunification of the peninsula but intend to stifle the DPRK with strength by reinforcing Armed Forces, staging anti-DPRK military exercises more frantically and rendering the situation extremely strained.

The warmanics are alleging that the exercises they plan to stage this year are designed to fill up the "blank" caused by the suspension of the joint manoeuvres Team Spirit.

Their allegation is tantamount to an open declaration that they will restart the manoeuvres.

The drills which the U.S. and the South Korean puppets announced will be held this year mirror their criminal intention to invade the North of Korea.

What should not go unnoticed is that the U.S. military bosses and South Korean puppets said that as a joint tactical drill for deploying "U.S. reinforcements" in the Korean peninsula has not been held satisfactorily due to the suspension of the Team Spirit, they would do it this year through various kinds of rehearsals.

It is ridiculous of the U.S. and South Korean warmongers to define their adventurous military moves against the DPRK as being for "defence", persistently spreading the rumor about "threat from North Korea."

In the Korean peninsula military threat comes to the North from the South where more than 1,000 nuclear weapons have been deployed and anti-North war gambles in the air and on the ground and sea are almost a daily occurrence.

Indications are that the warmongers may ignite a total war against the DPRK with the already worked out plan when an opportunity presents itself, while staging a "drill" with the mobilization of huge Armed Forces and equipment.

We are prepared for both war and dialogue. We love peace, but never entreat it of the warmaniacs.

The U.S. bellicose elements and the South Korean puppets must promptly cancel their projected provocative exercises levelled at the DPRK, the exercises which will threaten the peace of the Korean peninsula, and act with discretion.

**DPRK Foreign Ministry Spokesman on Hawaii Joint Statement**

**SK0202114096 Pyongyang KCNA in English**  
**1121 GMT 2 Feb 96**

[**"Foreign Ministry Spokesman on Hawaii 'Joint Statement'" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea released a statement today in connection with a tripartite meeting held in Hawaii recently.

The statement reads:

"High-ranking officials" of the United States, Japan and South Korea recently had a "policy meeting" in Hawaii and issued a "joint statement" urging the DPRK to resume dialogue with South Korea, according to news reports.

Referring to the results of the meeting, the U.S. State Department spokesman reportedly said the DPRK's "food shortage is attributable to its structural problem" and if it is to be resolved, the DPRK should "give up" its system.

If the reports are true, what the U.S. is seeking with the call for "improvement of relations" and "easing of economic sanctions" has become clear.

If the U.S. takes an attitude of interference in internal affairs of the DPRK, urging it to give up its system under the pretext of humanitarian assistance, the situation is very serious.

The "joint statement" and the unreasonable remarks of the U.S. State Department spokesman are apparently an undisguised encroachment upon the DPRK's sovereignty, which may lead to the collapse of the basis of the DPRK-U.S. framework agreement.

Behind their call for "inter-Korean dialogue" the South Korean authorities are throwing a wet blanket over international food aid to Korea. They even negate the results of the survey of the afflicted areas conducted by U.N. organisations and humanitarian bodies, and deny that they delivered relief materials on the basis of the survey results and witnessed their distribution.

In South Korea there is no dialogue partner of the North. If any, it is a group that takes a negative attitude toward dialogue and reunification and is denounced by the people for going against their will.

If the United States, ignoring this situation, sticks to its one-sided policy toward Korea only in favor of South Korea, we would have nothing to expect from the United

States, still less the implementation of the DPRK-U.S. framework agreement.

If the United States and its followers attempt to undermine our socialist system, thinking that pressure will work on the DPRK hit by floods, the tensions on the Korean peninsula will grow more serious and only the trouble-makers will be harmed.

Our people and People's Army regard independence as their lifeblood and will never have dealings with any one over matters of principle.

If the United States is truly interested in the implementation of the framework agreement and improvement of relations with the DPRK, it had better act with discretion or [passage indistinct].

**DPRK Paper Comments on U.S.-Japan-ROK Meeting in Hawaii**

**SK0202052296 Pyongyang KCNA in English**  
**0510 GMT 2 Feb 96**

[**"U.S., Japan Warned Against Acceding to S. Korea's Demand" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — The newspaper NODONG SINMUN today, commenting on the tripartite meeting of the United States, Japan and the South Korean puppets held in Hawaii, said it is part of their schemes against the Democratic People's Republic of Korea. The U.S. and Japan had better deal with the DPRK with their faith, refraining from such an unprincipled act as acceding to the South Korean puppets' importunate demand, says the newspaper.

At the subcabinet level meeting they issued a "joint statement" urging "North Korea to promote dialogue with outside world" and noting that "resumption of inter-Korean dialogue is essential" and "they would continue their efforts for this goal."

The newspaper says:

It requires little penetration to see that the South Korean puppets must have exerted so much efforts to have the "statement" issued and the U.S. and Japan, to their shame, did as the puppets wanted.

What cannot be overlooked is that they dared to take a stand of interference in the internal affairs of the DPRK.

Whether we promote dialogue with outside world or not is pertaining to our internal affairs and it is a matter we should decide on with our own judgment. We have not refrained from dialogue with outside world.

However, the U.S., Japan and the South Korean puppets have the cheek to admonish others.

They are now rushing about with their purpose of seeing opening available in the DPRK coming to naught. We consider their act very ridiculous.

As for their remarks that the resumption of inter-Korean dialogue is "essential," we think such a thing can be said only by political illiterates who want to use inter-Korean dialogue for their ulterior purpose and by those with no sense of the situation.

We have stated more than once that the traitor Kim Yong-sam, who is interested only in keeping the country divided, with no blood of the same nation in his body, cannot be our dialogue partner.

The U.S. and Japan must know well about this position of ours.

Insisting on dialogue with the traitor is incompatible with the DPRK-U.S. framework agreement.

It is obvious that the U.S. and Japan have not discarded the hostile attitude toward the DPRK and the one-sided policy favoring South Korea they pursued in the Cold War period.

The consequences of their act may be very serious.

The South Korean puppets must stop running wild, well aware of their position.

#### DPRK: Koreans in Canada Protest ROK Pomminnyon Arrests

SK0102093696 Pyongyang KCNA in English  
0828 GMT 1 Feb 96

["Release of Members of Pomminnyon South Side Headquarters Urged" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — Koreans' organizations in Canada published a joint statement denouncing the Kim Yong-sam group's fascist suppression of members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), the New Korea Times, a Koreans' newspaper published in Canada, reported on January 13.

The organizations are the Canadian Regional Headquarters of Pomminnyon, the Canadian Headquarters of the Council for the Promotion of the Peaceful Reunification of the Country, the Women's Society for National Reunification in Canada, and the Canadian Headquarters of the National Alliance of Youth and Students for the Country's Reunification.

The statement branded the Kim Yong-sam regime as an anachronistic "government" going against the world trend towards peace.

The South Korean "Government" should not imprison those who have devotedly struggled for the democratic reunification of the country and unity of the nation, but set free all the arrested progressive activists, democrats, and members of the Pomminnyon south side headquarters, the statement demanded.

Renewing the determination to join in the campaign for the release of the members of the Pomminnyon south side headquarters, it said:

"The Kim Yong-sam 'government', far from meeting our desire to lay a foundation for reunification through joint efforts of the South, North and overseas, is suppressing the south side headquarters of Pomminnyon. It will have to pay for it," it stressed.

#### DPRK Paper Denounces ROK Ruling Against HANGYORE SINMUN

SK3101093496 Pyongyang KCNA in English  
0833 GMT 31 Jan 96

["Unjustifiable Judgement Backing Criminal" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — A South Korean court on January 26 ruled that the newspaper HANGYORE SINMUN should make a compensation amounting to 400 million won, as it libelled Kim Hyon-chol, the second son of the traitor Kim Yong-sam.

Branding this judgement as unreasonable and unjustifiable, an analyst of MINJU CHOSON today says:

Judges, henchmen of the "civilian"-veiled traitor Kim Yong-sam hell bent on money-making, held a formal trial without going through elementary procedures, at which they asserted that an article of HANGYORE SINMUN had no proper ground to convince people of the truth of the news. This is no more than a far-fetched argument for justifying their unreasonable judgement.

As for the article of HANGYORE SINMUN, it is an article which was written on the basis of true facts after covering the very one who gave money to Kim Hyon-chol.

The traitor Kim Yong-sam took the presidential office with the help of an astronomical amount of money he had hoarded as the secret fund. Moreover, he ordered a court to conceal his criminal acts. It, however, resulted in creating more troubles.

The traitor Kim Yong-sam had better confess the truth of the "presidential election fund" and step down from power before it is too late.

**DPRK Daily Denounces ROK Tightening 'Gag' on Press**

*SK0102052896 Pyongyang KCNA in English  
0430 GMT 1 Feb 96*

[*"Kim Yong-sam Tightens Gag on Press" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The Kim Yong-sam fascist clique have suspended the publication of five local newspapers by force.

NODONG SINMUN today, commenting on this, says that the gag on the press can be put only by the cruel, fascist dictators and stranglers of democracy, who are not desirous of social progress but clean indifferent to the calls of the times and people.

The analyst says:

It is by no means justifiable that the Kim Yong-sam fascist clique have suspended the publication of newspapers and punished them with a fine for the mere reason that the activities of the conscientious journalists and other men of the press fall from their favor. Such repression of the press only goes to show that an embargo is laid on basic freedom of speech and publication in South Korea and the Kim Yong-sam group are a herd of arch fascist tyrants unprecedented in history.

Kim Yong-sam has launched into a harsh suppression of the press because he has been driven into a tight corner.

The Kim Yong-sam fascist clique are trying to gag the press, but in vain.

The Kim Yong-sam group should stop tightening the gag on the press, mindful that it will only precipitate their destruction.

**DPRK: Japanese Lawmaker Says Reports on DPRK 'Distorted'**

*SK0102093996 Pyongyang KCNA in English  
0816 GMT 1 Feb 96*

[*"Distorted Reports About Korea Exposed" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — "Witnessing the reality of Korea, I have realized that Japan's propaganda about it was seriously distorted," said Akiko Tomoto, member of the House of Councillors of Japan.

In an interview with KCNA Tomoto said, "What we have seen at first hand during our stay in Korea is quite different from what we have been told".

"The youths and other people of Korea live without socio-political unrest and any worry about their livelihood," she said. "I came to have a better understanding of Korean socialism."

"During the visit I could feel what the word 'a near yet distant country' I have heard so often, means," she said, vowing to make positive efforts to realize the normalization of Japan-DPRK diplomatic relations at an early date.

**DPRK: Chang Chol Meets Cambodian Deputy Prime Minister**

*SK3101110596 Pyongyang KCNA in English  
1026 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — Vice-Premier Chang Chol met and had a friendly talk with Kong Sam-ol, deputy prime minister in charge of the Royal Palace of Cambodia, and his party at the Mansudae Assembly Hall today.

Kong Sam-ol at the meeting noted that his excellency the great leader Generalissimo Kim Il-song and his excellency the great leader Marshal Kim Chong-il unsparingly supported the rehabilitation of Cambodia and that His Majesty Norodom Sihanouk, king of the Kingdom of Cambodia, and the Cambodian people are grateful for this.

His majesty the king has always recognized only the DPRK and supported the Korean people's cause of national reunification, said Kong Sam-ol.

He said that he took this opportunity to convey the best wishes of his majesty king for the good health and a long life of His Excellency Marshal Kim Chong-il, the great leaders.

**DPRK: Cambodian Guests Visit Kumsusan Memorial Palace**

*SK0102094696 Pyongyang KCNA in English  
0928 GMT 1 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — Kong Sam-ol, deputy prime minister in charge of the Royal Palace of Cambodia, and his party today visited Kumsusan Memorial Palace to pay homage to the great leader President Kim Il-song.

The deputy prime minister wished his excellency the great leader Generalissimo Kim Il-song immortality and the Korean people greater success in socialist construction and in their efforts to accomplish the noble cause of national reunification under the wise leadership of his excellency the great leader Marshal Kim Chong-il.

He stressed that friendship between the two countries, the DPRK and Cambodia, will further consolidate and develop through generations.

He made an entry in the visitor's book.

**DPRK: Cambodian King Sends Gift to Kim Chong-il**

*SK0102052696 Pyongyang KCNA in English  
0427 GMT 1 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Norodom Sihanouk, king of the Kingdom of Cambodia, on his birthday.

The gift was handed to Vice-premier Chang-chol by Deputy Prime Minister in charge of the Royal Palace of Cambodia Kong Sam-ol, who is visiting Korea, on Jan. 31.

**DPRK: Cambodian King Sends Message to Kim Chong-il**

*SK0202045796 Pyongyang KCNA in English  
0442 GMT 2 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory message from Norodom Sihanouk, king of the Kingdom of Cambodia, on his 54th birthday.

The message extends warmest congratulations to Comrade Kim Chong-il and wishes him good health and a long life.

The message says that under the patriotic, energetic, wise, authoritative and brilliant leadership of Comrade Kim Chong-il the Democratic People's Republic of Korea has continued making most excellent progress and great achievements in the building of the country and in all fields of socialist construction to provide welfare and happiness to the industrious, talented and well-educated Korean people.

Noting that the Kingdom of Cambodia and the DPRK have always resolutely supported each other to defend the common idea and interest, the message says that he will remember forever all solicitude shown by His Excellency the most respected Generalissimo Kim Il-song and His Excellency respected Marshal Kim Chong-il to him and his family as well as the resistance movement of Cambodia during the period of her national liberation and national salvation struggle.

The Kingdom of Cambodia will stand forever on the side of the DPRK and always fully support all your just

and most patriotic policy for reunification of Korea, the message stresses.

**DPRK-Cuba Solidarity Committee Holds Annual Meeting**

*SK0202045696 Pyongyang KCNA in English  
0447 GMT 2 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — An annual meeting of the Korea-Cuba Solidarity Committee was held here on Thursday [1 February].

The meeting reviewed the work done last year by the Committee for Friendship and Solidarity With the Cuban People, who are invariably advancing along the road of anti-imperialist independence and socialism. And an action program for this year was discussed there.

Present at the meeting were Chairman of the State Education Commission Choe Ki-yong, who is chairman of the Korea-Cuba Solidarity Committee, members of the committee and Charge d'Affaires Ad Interim Pedro Moran Tapanes [spelling of name as received] and officials of the Cuban Embassy in Korea.

**DPRK WPK Delegation Leaves for Seminar in Moscow**

*SK3101092996 Pyongyang KCNA in English  
0830 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — A delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of its Central Committee, left here today to participate in the international seminar on the chuche idea for independence, peace and friendship to be held in Moscow on the 54th birthday of the great leader Comrade Kim Chong-il.

It was seen off by Hyon Chun-kuk, director of a department of the WPK Central Committee.

**DPRK: WPK, Central Committee Congratulate Moscow Seminar**

*SK0102112196 Pyongyang KCNA in English  
0934 GMT 1 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] and the Central People's Committee of the Democratic People's Republic of Korea today sent a joint congratulatory message to the international seminar on the chuche idea for independence, peace and friendship to be held in Moscow.

The message noted that it is an urgent requirement common to humanity of the present time and a noble

historical task of the people throughout the world to abolish once and for all the outdated world of domination and subjugation, confrontation and violence and build a new world in which all countries and peoples live in independence, peace and friendship.

The message said:

The chuche idea authored by the great President Kim Il-song is a new man-centred world outlook evolved with man in the position of master of the world and a scientific doctrine which shows the way for the popular masses to shape their destiny. It is an idea for fully realizing man's independence, ensuring independent development of countries and nations and building an independent world. It also requires that the peoples of all countries of the world should achieve common prosperity of humanity, while promoting friendship and cooperation and enjoying an equal and peaceful life.

By advancing under the unfurled banner of the chuche idea, our party and people have built a man-centred socialism under which the whole society forms a big harmonious family whose members enjoy an independent and creative life as equal masters of the state and society, consolidated the sovereignty of the country and strengthened the ties of friendship and cooperation with the peoples of the world advocating independence.

There is no doubt that if the broad sections of the people rise up in firm unity, well aware of being masters of their own destiny as required by the chuche idea, they can surely build a man-centred society, an independent, peaceful and friendly new world, in which human value is enhanced to the maximum and all people become the common masters of the state and society. People's desire to live and develop as masters of their destiny will grow stronger, and no force on earth can check the historical trend of the time towards independence.

The message sincerely wished the seminar a great success.

**DPRK: Delegation Leaves for Kazakhstan, Kyrgyzstan**

SK0102094896 Pyongyang KCNA in English  
0926 GMT 1 Feb 96

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — A delegation of the Korean Committee for Cultural Relations with Foreign Countries led by Vice-chairman Kim Yong-su left here today by train to visit Kazakhstan and Kyrgyzstan.

**DPRK: KPA 'O Chung-hup 7th Regiment Title Movement' Noted**

SK0102045996 Pyongyang KCNA in English  
0449 GMT 1 Feb 96

[["O Chung-hup Seventh Regiment Title Movement" in KPA" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The "O Chung-hup Seventh Regiment Title Movement" will be conducted among the soldiers of the Korean People's Army (KPA) to firmly prepare themselves to be bodyguards and death-defying corps to defend the headquarters of the revolution headed by the great Comrade Kim Chong-il at the risk of their lives.

It was stressed at a meeting of soldiers of the Ministry of the People's Armed Forces held on Jan. 31 that all the army should conduct the "O Chung-hup Seventh Regiment Title Movement" to learn from the spirit of the O Chung-hup Seventh Regiment, which devotedly defended the headquarters of the revolution during the rigorous anti-Japanese revolutionary struggle.

Comrade Kim Chong-il, supreme commander of the Korean People's Army, said:

"Let all the army become today's Seventh Regiment devotedly defending the headquarters of revolution!" is a strategic slogan for the People's Army at present. Under this slogan, it should vigorously push ahead with the 'O Chung-hup Seventh Regiment Title Movement' and thereby add lustre to the glorious tradition of defending the leader which has been fully displayed in the proud history of our revolutionary armed forces."

Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of the People's Armed Forces, made a report at the meeting, which was followed by speeches.

The reporter and speakers said that the slogan "Let all the army become today's Seventh Regiment devotedly defending the headquarters of revolution!" which was set forth by respected supreme commander Comrade Kim Chong-il, is a strategic slogan for the People's Army to successfully carry forward and accomplish the revolutionary cause of chuche under his leadership. It is also a slogan of inheritance, a true torchlight of carving out the destiny and an eternal banner of faith, they added.

They noted that the "O Chung-hup Seventh Regiment Title Movement" which will be launched under this slogan is a collective innovation movement to follow the example of the Seventh Regiment, firmly prepare all the officers and men to be rifles and bombs devotedly

defending the headquarters of the revolution and make the People's Army the bodyguards and death-defying corps of the respected supreme commander.

They stressed the need to learn from the death-defying spirit of the Seventh Regiment to powerfully conduct combatant and political training for strengthening the combat preparations and militancy of the People's Army, take a full combat posture and thoroughly consummate the appearance of the revolutionary regular army.

#### DPRK: Kim Chong-il Sends Greetings to Heads of State

SK0102052496 Pyongyang KCNA in English  
0411 GMT 1 Feb 96

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The great leader Comrade Kim Chong-il sent messages of greetings to heads of state of different countries on the occasion of the new year 1996.

They include Jabir al-Ahmad al-Jabir al-SABAH, amir of State of Kuwait; Phumiphon Adunyadet, king of Thailand; Yasir 'Arafat, president of the State of Palestine, chairman of the PLO Executive Committee and head of the Palestinian National Authority; Alpha Oumar Konare, president and head of State of Mali; Mohamed Abdelaziz [name as received], president of the Saharan Arab Democratic Republic and secretary general of the Polisario Front; Henri Konan Bedie, president of Cote d'Ivoire; Pascal Lissouba, president of the Congo; Muhammad Husni Mubarak, president of Egypt; Edison James, prime minister of the Commonwealth of Dominica; Manuel Esquivel, prime minister of Belize; and Noor Hassanali, president of Trinidad and Tobago.

In the messages Comrade Kim Chong-il extended warm congratulations to them and their peoples on the new year.

And he wished them greater success in their work for national prosperity, hoping that the friendly and cooperative relations between Korea and their countries will further strengthen and develop.

#### DPRK: Kim Chong-il Exchanges Cards With Foreign Leaders

SK0102052596 Pyongyang KCNA in English  
0416 GMT 1 Feb 96

[Spelling of party leader names as received]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The great leader Comrade Kim Chong-il exchanged New Year cards with state and party leaders of different countries for 1996.

They were Maumoon Abdul Gayoom, president of Maldives; Banhan Sinlapa-acha, prime minister of Thailand; Yahya A.J.J. Jammeh, chairman of the Armed Forces Transitional Ruling Council and head of state of Gambia; Ketumile Masire, president of Botswana; Zine El Abidine Ben Ali, president of Tunisia; Muhammad Husni Mubarak, president of Egypt; Zhelyu Zhelev, president of Bulgaria; Aleksander Kwasniewski, president of Poland; Howard Cooke, governor-general of Jamaica; Denzil Douglas, prime minister of St. Kitts-Nevis; Chan Choong Tak, secretary general of the Malaysian People's Movement; Raja Collure, general secretary of the C.C. [Central Committee], the Sri Lanka Communist Party; Arthit Ourairat, leader of the Seritham Party of Thailand; Demetrios Christofias, general secretary of the C.C., the Progressive Party of the Working People of Cyprus; Dama Dramani, general secretary of the Togolese People's Rally; Jean Spielmann, national president of the Workers' Party of Switzerland; Aleka Papariga, general secretary of the C.C., the Communist Party of Greece; Carlos Carvalhas, secretary-general of the C.C., the Communist Party of Portugal; Boleslaw Teikowski, chairman of the National Party of Poland; Boleslaw Jaszczuk, chairman of the C.C., the Left Radical Party of Poland; Pat Quearney, general secretary of the Workers' Party of Ireland; and Jack Barnes, national secretary of the Socialist Workers' Party of the United States.

#### DPRK: Union Urges Rallying 'Closely' Around Kim Chong-il

SK0102084496 Pyongyang KCNA in English  
0814 GMT 1 Feb 96

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — Officials and members of the Union of Agricultural Working People of Korea [UAWPK] from across the country met here on Wednesday to vow to carry out to the letter the tasks set forth in the congratulatory message from the C.C. [Central Committee], the Workers' Party of Korea on the 50th anniversary of the union.

Choe Song-suk, chairperson of the UAWPK Central Committee, made a report at the meeting, which was followed by speeches.

The reporter and speakers called for pushing ahead with socialist rural construction, closely rallied around the great leader General Kim Chong-il, to carry out the tasks laid down in the congratulatory message and thus giving full play to the might and invincibility of Korean socialism.

They said that they would inspire the agricultural working people to widely conduct a socialist emulation

drive and other mass movements and do all farm work in a scientific and technical way as demanded by the chuche farming method so as to bring about a decisive turn in grain production.

They renewed their determination to work harder and harder in order to finally solve the rural question and defend and add lustre to Korean socialism centred on the masses, under the leadership of the great General Kim Chong-il.

A letter to Comrade Kim Chong-il was adopted at the meeting.

**DPRK Agricultural Union Meeting Participants Visit Kumsusan**

*SK0101215196 Pyongyang KCNA in English  
1503 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — The participants in the celebration to mark the 30th anniversary of the foundation of the Union of Agricultural Working People of Korea [UAWPK] today visited the Kumsusan Memorial Palace to pay respect to the great leader President Kim Il-song.

They expressed their determination to creditably implement the behests of President Kim Il-song, holding the red flag high, firmly rallied around the great leader Comrade Kim Chong-il.

**DPRK: Yi Chong-ok at Educational Citations Meeting**

*SK0102040296 Pyongyang Korean Central Television Network in Korean 1100 GMT 27 Jan 96*

[FBIS Translated Text] A meeting to confer the title of Exemplary Educational County on Taedong County, South Pyongan Province, was held on the spot.

Participating in the meeting were Comrade Yi Chong-ok, functionaries concerned, and functionaries of the educational sector in Taedong County.

A decree of the DPRK Central People's Committee was read at the meeting, then a citation was conferred on Taedong County. In addition, decorations and medals were conferred on the functionaries and workers of the educational sector in the county who, by highly upholding the party's leadership, improved the quality of education by vigorously waging the struggle to implement the theses on socialist education and who made active contributions to bringing up the new generation as a revolutionary talent equipped with ample knowledge, high morality, and a strong body.

Following this, the banners of 25 January exemplary kindergarten were conferred on all kindergartens in the county.

Discussions of resolutions also occurred at the meeting. The speakers engaged in the discussions said it was entirely because of the wise leadership and careful concern of the respected and beloved General Kim Chong-il that material and technical foundations were firmly prepared in the educational sector, and that great achievements were accomplished in the field of education in accordance with the fatherly leader's behests. They stressed they will further vigorously wage the struggle to implement the tasks set forth in the theses on socialist education and will display to the full extent the superiority of our own style of popular masses-centered socialist system by further improving educational work.

**DPRK: Chang Chol Makes Opening Address at Poster Exhibition**

*SK0102093196 Pyongyang KCNA in English  
0818 GMT 1 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — A national poster exhibition opened at the folkcraft exhibition here on Wednesday.

Over 100 posters are displayed there. Among them are works showing the indomitable will of the Korean people, who are invariably inheriting the line of chuche, entrusting their destiny and future entirely to the great leader General Kim Chong-il.

Also there are posters encouraging the party members and other working people to fully display the spirit of the "arduous march" in all sectors of socialist economic construction, and posters calling for strictly establishing the spirit of attaching great importance to military affairs in the whole of society and continuing to display the traditional trait of army-people unity.

Chang Chol, vice-premier of the Administration Council and Minister of Culture and Art, made an opening address.

**DPRK: Foreign Parties, Leaders Send New Year Cards to WPK**

*SK0102043896 Pyongyang KCNA in English  
0419 GMT 1 Feb 96*

[All names as received]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] received new year cards from parties and party leaders of different countries.

They were from the Central Committee of the Cambodian People's Party; the National Executive Committee of the Socialist Forces Front of Algeria; the National Committee of the Communist Party of France; the Leftist League of Finland; the International Department of the C.C. [Central Committee], the Communist Party of Portugal; Youssef Faisal, general secretary of the C.C., the Communist Party of Syria; George Habash, secretary general of the C.C., the Popular Front for the Liberation of Palestine; Ahmad al Zoubi, chairman of the Liberal Party of Jordan; Ali Saleh Obad Mokbil, secretary general of the C.C., the Yemen Socialist Party; Juan Ramos, general secretary of the Communist Party of the Peoples of Spain; Hamid Majid Mousa, secretary of the C.C., the Iraqi Communist Party; Arnljot Ask, chairman of the External Relations Committee of the Workers Communist Party of Norway; and Y. Ingve Iversen, member of the C.C., the Norwegian Communist Party.

**DPRK Farming Preparations Reported**

*SK3101214996 Pyongyang KCNA in English  
1502 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — Farming preparations are progressing space in rural communities throughout Korea.

According to data available at the State Agricultural Commission, the production of compost went up 97 percent as of January 28 throughout the country.

Materials for cold rice seedling bed including wooden supporters, holders and thatches have been prepared at more than 80 percent.

The whole quantity of compost necessary for this year's farming were carried to paddy and non-paddy fields on co-op farms in North Hamgyong Province and Kaesong Municipality.

Agricultural working people in all parts of the country are vigorously pressing ahead with the laying of humus soil and the land re-zoning in order to upgrade the fertility of soil for increased production of grain.

Hundreds of thousands of tons of mucks containing much nitrogen were trucked to paddy and non-paddy fields of co-op farms in Phyongwon, Maengsan and other counties and the Sukchon County agricultural complex in South Phyongan Province.

Fertile soil was spread on hundreds of hectares of paddy-field in Thongchon County, Kangwon Province, and Chongdan County, South Hwanghae Province.

Water storage and repair and maintenance of tractors and tractor-drawn farm machines have already been finished in all parts of the country.

**DPRK Reclaimed Land Interior Network Construction Viewed**

*SK0102055096 Pyongyang Korean Central Broadcasting Network in Korean  
1200 GMT 30 Jan 96*

[FBIS Translated Text] The construction of an interior network of reclaimed land has been actively pushed ahead in areas along the west coast.

According to data, last year construction was completed on a total of 2,790 chongbo [1 chongbo is 2.451 acres] on the interior network of reclaimed land. As a result, people can begin farming this year.

Upholding the party's intention, construction offices for reclaimed land interior network in South Hwanghae Province are carrying out construction work in the manner of an annihilation battle by intensifying labor power and mechanical means. As a result, they carried out the construction on 1,200 chongbo of the interior network across the province last year.

Interior network construction work has also been actively carried out in reclaimed lands in North Phyongan Province. Functionaries of the Yomju Reclaimed Land Interior Network Construction Office enhanced the mechanization rate of the work by breaking through every difficulty they faced with the revolutionary spirit of self-reliance. They accelerated the construction of more than 50 structures, assembling much pumping equipment by actively discovering and mobilizing internal reserves. Thus, they completed construction on several hundred chongbo of the interior network ahead of schedule.

The Kwaksan Reclaimed Land Interior Network Construction Office, and the Kusong and Chongju Land Construction Offices, have completed construction of a wide range of interior networks by accelerating the speed of construction.

Soldier builders who are in charge of construction on the reclaimed land interior network in Kumsong are continuing the vigorous struggle with the spirit displayed during the reclaimed land construction, using the slogan "If the party decides, we will do it!" Thus, they registered innovations by completing 500 odd-chongbo of interior network construction.

**DPRK Builders Vow To Expedite Railway Construction**

**SK3101092296** *Pyongyang KCNA in English*  
0827 GMT 31 Jan 96

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — Builders met in Tongchon County, Kangwon Province, on Tuesday to vow to move up the laying of railways between Wonsan and Mt. Kumgang.

This project is aimed at satisfactorily meeting the growing demand of the national economy for transport and providing Korean and foreign visitors to Mt. Kumgang, a scenic spot, with better conveniences. This place is associated with the immortal history of activities of the great leader President Kim Il-song and the Workers' Party of Korea (WPK).

At the meeting Choe Yong-hae, first secretary of the C.C. (Central Committee), the Kim Il-song Socialist Youth League, made a report, which was followed by speeches.

The reporter and speakers called for demonstrating once again, through the construction, the combat capability of the young people and builders rallied in one mind around the great leader Comrade Kim Chong-il and the might of the socialist independent national economy of Korea.

They expressed their determination to carry out the construction ahead of schedule and make a report of loyalty and glory to Comrade Kim Chong-il and thus add lustre to the honor of being the young people and builders of our era who have built one more monumental edifice of the Workers' Party era.

A resolution was adopted at the meeting.

Present there were Han Song-yong, Politburo member and secretary of the WPK Central Committee, and Yi Yong-mu, chairman of the State Transport Commission.

**DPRK National Scientific, Technical Festival Begins**

**SK0102093596** *Pyongyang KCNA in English*  
0824 GMT 1 Feb 96

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The 11th national scientific and technical festival is proceeding in Korea.

Presented to the festival were many technical innovations and scientific research data conducive to the successful solution to the scientific and technical problems arising in developing the nation's science and technology in hearty response to the Workers' Party of Korea's policy of technical revolution and thoroughly implementing the revolutionary economic strategy.

Similar festivals have already been held at industrial establishments and in cities and counties.

The participants in the festival have presented technical innovations and scientific research achievements, which have been paying off over last year since their introduction in different sectors of the national economy.

**DPRK Daily on 'Strategy of Aggression' of 'Imperialists'**

**SK0202084996** *Pyongyang KCNA in English*  
0836 GMT 2 Feb 96

[ "Danger of Imperialists' Regional Strategy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 2 (KCNA) — A new regional strategy of the imperialists is entirely a strategy of aggression and intervention, says NODONG SINMUN in a signed article today.

The article notes:

The world people should not give the imperialists an excuse for aggression and intervention but resolutely fight against their regional strategy.

The characteristics and danger of the regional strategy of the imperialists are that they are launching into a "relay war of attrition" as they like today when there is no rival in arms race.

Their regional strategy is precisely a strategy of strength. They are intensifying the strategy of forward deployment and the capacity of mobile operation, clamouring about countermeasure to "disputes" and "crisis". At the same time, they are fostering and worsening the disputes and crisis in different areas of the world and then openly committing armed intervention and war on this pretext. The basic methods employed by the imperialists are a group intervention and a group use of arms.

Analysts of the situation predict that the allied use of arms of the imperialists took place in the Gulf area, is taking place in the Balkan area and will take place on the Korean peninsula in the future. This is proved by the ill-boding movement of the imperialists.

The new arms buildup and war rackets in and around South Korea, the intensified U.S.-Japan-South Korea tripartite military alliance and multi-national military exercises simulating "emergency" in the Korean peninsula and the Far East are being held according to the imperialists' scenario of a new Korean war.

If a new war breaks out in the Korean peninsula owing to the imperialists, it will cause an unpredictable catastrophe and, in this case, the war provokers will be wholly to blame for it.

### South Korea

#### ROK Daily on Purpose of White House Aide Lake's Visit

SK0202094196 Seoul *HANGUK ILBO* in Korean  
2 Feb 96 p 5

[Article by Washington-based correspondent Chong Pyong-chin: "Background of U.S. Special Envoy Lake's ROK Visit"]

[FBIS Translated Text] It seems that the purpose for the U.S. Government to dispatch Anthony Lake, White House national security adviser, to the ROK is to appeal to the ROK for its understanding of the inevitability of the U.S. assistance to North Korea. At the same time, in view of the fact that the ROK Government is restricting the United States from approaching North Korea on the grounds of the ROK's internal political schedule, such as the general elections, the United States may be trying to compromise with the ROK by putting forth a card which is appealing to the ROK Government, such as President Clinton's visit to the ROK. No doubt, underneath the U.S. attempt to persuade the ROK is the U.S. appeal for the ROK Government's cooperation in giving financial support for the assistance to North Korea, which the United States thinks it cannot afford to pay.

In connection with the inevitability of the assistance to North Korea, the U.S. Government officials' favorite expression is "steaming out." In other words, North Korea is now on the verge of exploding from the pressure caused by the instability of the government and economic difficulties. Therefore, someone must let the steam out of the pressure cooker in one way or another, and the United States is the one that has to do the job, and the immediate way to do the job is to assist North Korea with food and heavy oil.

Moreover, with the presidential election approaching in November, the Clinton administration ought to embrace North Korea from the standpoint of its diplomatic strategy. If North Korean-U.S. relations tilt, North Korea may announce that it is scrapping the U.S.-North Korean Geneva accord, threatening the structure of the Nuclear Nonproliferation Treaty and the Comprehensive Test Ban Treaty, the core of the U.S. diplomacy this year. In fact, North Korea is threatening to invalidate the Geneva accord on the grounds that the United States did not eliminate North Korea from the list of countries applicable to the Coordinating Committee for Export of Communist Area [COCOM] when the former readjusted the COCOM clauses.

The U.S. Government, however, is aware that it cannot unilaterally favor North Korea. For one thing, the

United States cannot break the promise to the ROK Government that progress in North Korean-U.S. relations should be made in harmony with the improvement of the inter-Korean relations. At the same time, the United States thinks it cannot "let the steam out" to the degree it desires without the financial help of the ROK Government. The United States thinks that the ROK Government wants the inter-Korean relations stalemated until its delicate political schedule, such as general elections, is over, because the North Korean situation is not "critical," which is different from what the United States believes.

Therefore, the United States intends to ask the ROK Government to understand the U.S. position by dispatching Lake, the White House aide. The United States must have thought that by doing so, it would be abiding by the ROK-U.S. promise of "prior consultation." Furthermore, if the U.S. assistance to North Korea should prove to be detrimental to the ROK interest, the United States would offer such a card as President Clinton's ROK visit, which would be in the interest of the ROK, and hopes to obtain the ROK's active cooperation in terms of financial support for assistance to North Korea.

#### ROK Daily Reviews U.S. Policy on Food Aid for DPRK

SK0202055996 Seoul *CHOSON ILBO* in Korean  
2 Feb 96 p 2

[Article by Washington-based reporter Pak Tu-sik: "Background of Visit to the ROK by White House Adviser Anthony Lake"]

[FBIS Translated Text] The U.S. Government is busy preparing to provide rice aid to North Korea. Following the ROK-U.S.-Japan talks held in Hawaii on 25 and 26 January, and after confirming the scope of cooperation among the three countries involved and the range that extended beyond cooperation, the U.S. Government is now speeding up preparations to provide food aid to North Korea in accordance with its determination as regards the North Korean food situation and in line with its own interests.

Currently, the U.S. Government respects the clause within the agreement reached at Hawaii that the three countries "will not provide government-level rice aid to North Korea," so the United States has adopted an expedient roundabout method. The U.S. Government donated approximately \$2 million to North Korea through the UN World Food Program [WFP].

In fact, it must be viewed that the Hawaii meeting was an intermediate step to persuade the ROK and Japanese

Governments to understand U.S. policy, which was necessary in the course of fixing U.S. Government policy on providing food aid to North Korea. Immediately after the Hawaii talks concluded, Washington reacted coldly to the ROK Government's "hopeful explanation" that the United States considerably understood the data on the North Korean food situation provided by the ROK. On 30 January, U.S. Undersecretary of State Joan Sparrow said she heard the ROK's explanation about serious food problems and flood damage in North Korea when she visited Seoul in November 1995. Stressing that the ROK's explanation is "the best information the United States has," she strongly complained that the ROK estimation has changed in a few months.

In short, there has been no major change in the U.S. Government's determination that the North Korean food problem is serious. What attracts the public's attention is a joint report issued in December 1995 by the WFP and the Food and Agriculture Organization. The U.S. Government's determination is for the most part based on this report which noted that "North Korea may somehow survive this winter, but it is highly likely there will be a large number of people starving to death in the latter half of the new year." In conclusion, the U.S. Government's recognition of the situation and the follow-up measures it is taking are "preventive diplomatic steps."

The United States says that in light of the North Korean nuclear issue, which has been settled following difficult negotiations, a crisis in the North Korean system is undesirable, not only for security on the Korean peninsula but also for the U.S. strategic interests. Accordingly, the money donated by the U.S. Government through the WFP will serve as a sort of "catalyst" to again egg on the international mood to support North Korea. Reportedly, the U.S. Government has already set out explaining this situation and stressing the inevitability of food aid to North Korea to Japan and European countries, the major donators to the WFP.

What attracts public attention is that White House National Security Adviser Anthony Lake's four-day visit to Seoul beginning 3 February. Lake will meet with President Kim Yong-sam and other ROK officials. It appears he will explain that the planned U.S. rice aid to North Korea is not government-level assistance, but assistance through an international organization based on humanitarian principles, and will ask ROK high-level policy makers to understand this. It will be the center of public interest how the ROK Government, which has been dissatisfied with the U.S. policy, will react to this.

#### ROK: DPRK Leadership 'Argument' Over Foreign Aid Noted

SK0202030096 Seoul *CHOSON ILBO* in Korean  
2 Feb 96 p 2

[YONHAP from Tokyo]

[FBIS Translated Text] In a report from Geneva, Japan's KYODO said on 1 February that the North Korean leadership had a considerable argument over foreign countries' aid for flood damages in North Korea and that in particular, the North Korean military showed a prudent attitude in the argument. Piero Calbasetty [name as published], head of the International Federation of Red Cross and Red Crescent delegation for providing support to North Korea, had an interview with KYODO. He returned to his post on 31 January after winding up the delegation's supporting activities in North Korea. During the interview, he said that North Korean Vice Foreign Minister Choe Su-hon had officially notified him of the argument, following the ROK-U.S.-Japan vice ministerial talks in Honolulu.

#### ROK Allows Rice Aid to DPRK Via International Groups

SK0202100896 Seoul *KBS-1 Radio Network*  
in Korean 0500 GMT 2 Feb 96

[FBIS Translated Text] The government will not oppose indirect rice aid to North Korea by making donations to international organizations. Foreign Minister Kong No-myong, who is attending an Asian countries' foreign ministers meeting in Phuket, Thailand, to prepare for the upcoming Asia-Europe summit talks, said this during an informal meeting with reporters.

Reporter Yi Hyon-chu will give you the details from Phuket, Thailand.

[Begin Yi recording] During the informal meeting with reporters here, Foreign Minister Kong No-myong said: Providing small-scale rice aid to North Korea by making donations to international organizations is quite different from full-fledged direct assistance, even if government funds are used in the donation. Japan can probably use this method.

Minister Kong No-myong also said: However, the PRC Government has recently notified the ROK Government that it does not have a plan for direct rice aid to North Korea.

Regarding North Korea's kidnapping of Reverend An Sung-un, Minister Kong said: The PRC has identified the incident as a kidnapping, and our government stresses the restoration of An to his former status, that is, his repatriation.

In particular, regarding the sharing of the cost of heavy oil to be provided to North Korea, Minister Kong said: The ROK, the United States, and Japan are now discussing the issue in Tokyo. They have almost reached the final decision for the EU to become a Korean Peninsula Energy Development Organization Executive Board member without right to make decisions and to share the heavy oil cost by annually paying \$20 million, two-fifths of the yearly cost of heavy oil supply. Minister Kong added that the problem of sharing the heavy oil cost will likely be solved soon because Japan will share the cost in its own way.

Meanwhile, Minister Kong said: A Japanese delegation including Yamajaki, chairman of the Policy Affairs Research Council of the Liberal Democratic Party, will arrive in Seoul on 10 February to hold prior discussions with ROK officials on the visit to North Korea by a delegation of the Japanese ruling coalition parties. [end recording]

#### DPRK Group Requests International Support for Aid

SK0202100196 Seoul TONG-A ILBO in Korean  
2 Feb 96 p 2

[Report by Yun Tuk-hon from Macao]

[FBIS Translated Text] On 1 February, speaking before a meeting of churches in Macao on the extent of flood damage in North Korea, a delegation of the North Korean Christians Federation called for international assistance, stating that North Korea would need at least some 3.2 million tonnes of grain this year.

After showing a 30-minute black and white video on flood damage in North Korea, the North Korean side delivered an address calling for international cooperation for the rehabilitation of flood damages. Reverend Hwang Si-chon, director of the International Department of the North Korean Christians Federation, said before the meeting that the amount of damage approaches approximately \$15 billion and that 5.2 million residents were affected by heavy downpours. Stating that the floods destroyed or damaged 5.2 million houses, 85 hospitals, 1,351 day care centers, 4,120 kindergartens, 3,842 bridges, as well as 75,000 roads, he added that North Korea urgently needs medicine.

In the meantime, representatives from seven nations belonging to the World Council of Christian Churches as well as North and South Korean Christian leaders adopted a statement on providing emergency aid to North Korea and wound up a four-day meeting in Macao. The religious leaders also included in the statement that they will endeavor to achieve peace and reunification on the Korean peninsula. The World

Council of Christian Churches announced that it will dispatch a fact-finding group to examine the situation in North Korea in March and Dr. Pak Kyong-so, director of the Asian Department of the World Council of Christian Churches, will accompany the group.

After this, the church leaders of the North and South had separate talks and agreed to push ahead with a plan to have Easter service at the same time and following the same program.

#### ROK: DPRK Church Official Comments on Flood Damage

SK0202145696 Seoul TONG-A ILBO in Korean  
2 Feb 96 p 5

[Interview with Reverend Hwang Si-chon, DPRK director of the International Department of the Korean Christian Federation, with unidentified reporter at a meeting of churches in Macao on 1 February—as reported by Yun Tuk-hon from Macao; last paragraph is TONG-A ILBO's note]

[FBIS Translated Text] [Reporter] What is the progress of the rehabilitation from the flood damage?

[Hwang] The situation varies from place to place, but the problem of clothing, food, and shelter is very serious. If we get help, the period for rehabilitation will be made shorter, but we do not know how long it will take.

[Reporter] What about the rehabilitation progress of farmland?

[Hwang] The damage was great because sand swept over the farmland. Even if we remove the sand, damage must have been done to the fertility of the soil and that will be a problem. To remove the sand, we need equipment such as bulldozers.

[Reporter] Is the flood damage really serious?

[Hwang] That is right. Christians from around the world sent us medical supplies, but the most serious problem is food. We need bean oil and sugar, too. To disclose my personal situation, my daughter, who is married and resides in Sinuiju, lost all her furniture, including a refrigerator and a bicycle. It is as if we had had a war.

[Reporter] The statistics on the food shortages vary considerably.

[Hwang] Our yearly demand for grain is 7,838,000 tonnes. We are 2.3 million tonnes short.

[Reporter] Where are the flood victims living?

[Hwang] They are living either in temporary shelters or in the dwellings of the residents of areas not affected by

the flood. The Korean people regard others' problem as their own. [end of Hwang remarks]

Meanwhile, North Korean delegate Kim Nam-hyok asked the Christian organizations not to indicate verses from the Bible on the smaller inner packages containing food for North Korea.

**ROK: DPRK Cancels Investment Meeting in Davos**

*SK0202150796 Seoul KBS-1 Radio Network in Korean 1420 GMT 2 Feb 96*

[Report by correspondent Yi Myong-ku from Davos]

[FBIS Translated Text] North Korea has canceled its meeting to explain investment opportunities, which was supposed to be held in Davos, where the world economic conference was to be held at 2100 [1200 GMT] today.

North Korean delegate Yim Tae-tok said the investment briefing was canceled. Moreover, it has been learned that North Korea would also cancel the North Korean economic seminar which was to be held tomorrow. The North Korean side said there were circumstances compelling them to cancel the meeting, however, it seems that the North Koreans had to cancel the meeting because only ROK businessmen expressed a desire to attend.

**ROK: DPRK Source on Kim Chong-il's Assuming Power**

*SK0202033296 Seoul YONHAP in English 0324 GMT 2 Feb 96*

[FBIS Transcribed Text] Washington, Feb. 1 (YONHAP) — North Korea's de facto leader Kim Chong-il will formally assume power after the two-year mourning period for his late father President Kim Il-song ends, the wife of a senior North Korean diplomat suggested Thursday.

Pyongyang's Ambassador to the United Nations Pak Kil-yon, who attended the annual U.S. state breakfast prayer meeting at the Washington Hilton Hotel Thursday, declined to respond when asked by South Korean reporters, "When will Kim Chong-il assume the presidency?"

But his wife Cho Ok-tan, who was standing right beside her husband, said, "The two-year mourning period hasn't even expired yet."

Cho's remarks are a reflection of the prevailing view in Pyongyang, North Korea analysts observed. An analyst said, "In view of the fact that North Korea has been ruled by the teachings of the deceased Kim Il-song, her remarks should not necessarily be dismissed."

If Kim Chong-il fails to become state president and party general secretary, two key posts held by his late father, following the second anniversary of his father's death July 8, it would seem that something abnormal is taking place with respect to the power succession in North Korea, the analysts added.

North Korean ambassador to Beijing, Chu Chang-chun, hinted in a press conference early in January that Kim Chong-il would formally assume power sometime this year.

**ROK Daily on Kim Yong-sun's Speech at DPRK Joint Meeting**

*SK0202005196 Seoul THE KOREA TIMES in English 2 Feb 96 p 2*

[Unattributed report: "NK's Top Foreign Policymaker Calls For Increased Inter-Korean Contact"]

[FBIS Transcribed Text] A senior North Korean official said "let bygones be bygones" Wednesday while calling for increased inter-Korean dialogue.

Kim Yong-sun, a right-hand man of North Korea's de facto ruler Kim Chong-il and chairman of the Supreme People's Assembly's reunification policy committee, made the remarks at a joint meeting of political parties and organizations in North Korea.

Kim's speech is interpreted as a gesture to woo the support of South Koreans and ethnic Koreans overseas in obtaining additional aid from Seoul and other Western countries to alleviate its current food crisis.

"Even though they committed grave crimes against the nation in the past, we are willing to hold dialogues with them if they really seek to realize national unification in an independent and nationalistic manner," Kim said.

As a pretext to shun inter-Korean dialogue, North Korea accused the Kim Yong-sam administration of "committing a grave crime in front of the nation" by failing to pay tribute to the late leader Kim Il-sung, instead branding him as a "culprit who caused national division."

Kim Yong-sun's remarks, seen as a departure from his past position, could be interpreted in a way that he no longer holds a grudge against Seoul's failure to pay tribute to the late ruler.

However, Kim reiterated that Seoul should abolish the National Security Law, which he branded as an obstacle to national unity and reunification.

He also called for the necessity of establishing a new peace system on the Korean peninsula by signing a

peace agreement between North Korea and the United States.

Meanwhile, a foreign news agency, quoting the official North Korean Central News Agency (KCNA), reported that North Korea warned that "any small abnormal event" on the Korean peninsula would cause "total war."

Kim was quoted as saying "any small abnormal event, whether it is deliberate or accidental would lead to armed conflict, and furthermore, an all-out war in Korea."

However, officials here denied that Kim made such remarks at the meeting of political parties and organizations. According to a transcript of North Korean broadcasts, Kim didn't refer to a war on the Korean peninsula, they said.

They raised the possibility that the KCNA's report was not a direct quotation of Kim's remarks, but an interpretation which has been widely used to stress the necessity of the establishment of a peace structure on the Korean peninsula.

Instead, Kim expressed his hope for a broad range of contacts and dialogue with South Koreans and ethnic Koreans living overseas. He said that they are ready to meet them "at any place, any time and in any form."

Officials said that the participants proposed in a letter to their South Korean counterparts that South and North Korean people make 1996 "a year of peace and national unity."

Participants in the conference included Yang Hyong-sop, chairman of the standing committee of the Supreme People's Assembly, and Yu Mi-yong, chairman of the Central Committee of the Chondoist Chongu Party.

#### ROK 1995 Trade Deficit With Japan Reported

SK001064096 Seoul *THE KOREA TIMES* in English  
30 Jan 96 p 8

[FBIS Transcribed Text] The export boom of last year had given rise to huge imports of capital goods, including material and manufacturing equipment, from Japan with the trade deficit reaching a total of 16.7 billion dollars last year.

The Trade, Industry and Energy Ministry [MOTIE] said yesterday that in the machinery sector alone, the trade deficit with the neighboring country was 11.6 billion dollars, with components accounting for another 3.5 billion dollars.

Even for semiconductors, for which the nation posted a trade surplus of 13.1 billion dollars, the trade deficit with Japan was a whopping 220 billion dollars, mainly due to the import of non-memory chips.

"In virtually all areas of capital goods, especially manufacturing equipment, Korea is suffering a severe trade deficit. The plan to boost the vitality of the nation's capital goods industry has yet to bring results," one MOTIE official explained.

The trade deficit in capital goods with Japan is alarming when considering that Korea was 9.8 billion dollars in the red, based on a customs clearance basis, last year, he elaborated.

The trade deficit is an increase from the 13.8 billion dollars recorded during the previous year, indicating that the figure is on a constant rise despite localization efforts.

According to MOTIE estimates, the import of machinery, vital materials such as semiconductor wafers, and critical parts and components is expected to increase further this year. "In virtually all cases, the imports of these vital goods rose by an average of 20-30 percent last year over the previous year. To avoid this trend, the development of these capital goods need to be accelerated," another MOTIE official said.

#### ROK Military Considering Measures in Tokdo Case

SK0202083096 Seoul *YONHAP* in English  
0636 GMT 2 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 2 (YONHAP) — The Ministry of Defense is mapping out military measures to take in case Japan declares an Exclusive Economic Zone (EEZ) that encompasses the South Korean East Sea [Sea of Japan] island Tokdo, a ministry official disclosed Friday.

The ministry's deliberations are being made in accordance with the government's firm resolve to never allow Japan to include the island in its projected EEZ, the official said.

"We're considering all possible military responses to this situation at the request of the Ministry of Foreign Affairs," he stated, while refusing to disclose the ministry's specific countermeasures.

Other military sources, however, indicated that the Defense Ministry is currently studying the possibility of sending P-3C antisubmarine patrol planes, submarines, destroyers, and frigates to the Tokdo region.

Japan has long insisted that Tokdo is Japanese territory, which is nonsense to Koreans.

**ROK: 'Generation X' Brought Changes to Army**  
**SK0202010496 Seoul THE KOREA TIMES in English**  
**27 Jan 96 p 3**

[FBIS Transcribed Text] The military cherishes discipline. Unquestioned obedience to superior officers is considered an indication of excellence and the ultimate virtue in the military establishment.

This military convention is perhaps about to be changed in today's ROK Armed Forces, four fifths of whose 600,000 members are young men in their early 20s brought up to follow more individualistic "Generation X" lifestyles.

Professional soldiers see young soldiers as defying the rules, and as being self-centered and not respectful of the military establishment, but they think that this new attitude can be taken advantage of to reinvigorate the military and that it has to be accepted as a matter of fact.

This clash of cultures between old and new in the barracks was dealt with in a recent seminar sponsored by the ROK 1st Army. In preparation for the seminar, squad debates between enlisted soldiers and between enlisted and officers were held [as published], another sign that a new wind is blowing through the tradition-bound service.

In the seminar, professional soldiers dubbed their men "disrespectful of authority," "egotistic and impulsive," and "lacking willpower and patience."

They said that young soldiers question orders and are unafraid to air their views when they have doubts about them. These new attitudes among young soldiers are attributed to their relatively high level of education among other things.

And, the young generation soldiers hate a long march most with reported cases of enlisted soldiers going AWOL [absent without official leave] to avoid them, a participant said.

The seminar was aimed at reviewing the mentality of recruits, all conscripted for a mandatory 20 plus months of military service, to cope with a series of scandalous events involving young soldiers.

Last year, a young Army second lieutenant, a graduate of the prestigious Korea Military Academy, deserted his unit with a loaded rifle. An Army 1st lieutenant robbed a bank to acquire the money to support his licentious lifestyle. Enlisted soldiers conspired to physically abuse their platoon leader in a so-called "taming of officers."

These scandals were a wakeup call for top military leaders who have clung to old traditions, making them rethink their leadership methods.

However, the seminar participants concluded that this new attitude of young soldiers can also benefit the Armed Forces.

Professional soldiers from platoon leader to corps commander are required to delve into the new attitudes and develop new methods of commanding persons with them.

Army Col. Chong Chong-chol said, "Military commanders have to develop commanding skills, lead by example, and communicate with those to be commanded."

**ROK Tri-Services Stage Counterinfiltration Exercise**

**SK0202115696 Seoul YONHAP in English**  
**1149 GMT 2 Feb 96**

[FBIS Transcribed Text] Suwon, Feb. 2 (YONHAP) — A joint Army, Navy and Air Force counter-amphibious landing exercise was held on a beach near Hwasong, Kyonggi Province Friday.

The field exercise was witnessed by about 100 officials and nearby villagers. Among them was Kyonggi Governor Yi In-che.

The exercise began with the simulated shore-ward approach of 12 rubber boats of the North Korean forces. They were soon destroyed in coordinated attacks by Naval vessels and Air Force planes.

The exercise was to build up the ability of the three services to maintain a close cooperative system against any contingency North Korea may unleash, a military spokesman said.

**ROK Ministry Earmarks 46.5 Billion Won for ODA Projects**

**SK3001100096 Seoul YONHAP in English**  
**0747 GMT 30 Jan 96**

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The Foreign Ministry has earmarked 46.5 billion won (about 62 million dollars) in Official Development Assistance (ODA) to developing countries for 1996, up 16 percent from the previous year, according to a ministry official Tuesday.

Among the ministry's 1996 ODA projects are the invitation of 1,159 trainees from 78 developing countries and the dispatch of 107 Korean experts in social welfare, economics and other fields to 48 developing countries.

Twenty-four medical doctors will be dispatched to 20 countries and 14 Taekwondo instructors will be sent to 13 countries.

In emergency relief activities, South Korea will provide 10.32 million dollars to 85 countries and nine international organizations.

An additional 15.03 million dollars will be allocated to Vietnam and Sudan for the construction of vocational training centers.

Development feasibility studies will be done in China, Vietnam, Indonesia and six other countries at a cost of 2.5 million dollars.

South Korea's total ODA contributions reached 145 million dollars or 0.04 percent of the gross national product in 1994, the official said. He added that the figure will gradually increase to 0.3 percent, the average contribution rate of Organization for Economic Cooperation and Development (OECD) members.

#### ROK: Foreigners Investing More in Seoul Stock Exchange

SK3101090396 Seoul YONHAP in English  
0155 GMT 31 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 31 (YONHAP) — Foreign investors bought more shares than they sold on the Seoul Stock Exchange in January, anticipating bright prospects for the coming year.

In the first 30 days of the month, they bought 579.8 billion won in stock and sold 477.5 billion won worth for a net purchase of 102.3 billion won, according to the Securities Supervisory Board Tuesday.

In the first half of last year there was a net sale of 839.8 billion won, which became a net purchase of 2.41 trillion won by the July-October quarter, and ended as a net sale of 210.7 billion won in November-December.

Because American, Japanese and Hong Kong bourses are currently on an upswing, foreigners are investing more in the Seoul market since they see bright prospects for a soft landing of the South Korean economy this year, market analysts said.

Foreigners have sold off business cycle-sensitive shares, including LG and Samsung electronics, while buying blocks of domestic market-related issues, including banks, oil refineries and heavy industries since the turn of the year.

They achieved net sales of 20 billion won and 24 billion won for LG Electronics and Samsung Electronics, respectively, but net purchases of 41 billion won for Korea City Gas, 10 billion won for Ssangyong Oil Refineries and 9 billion won for Daewoo Heavy Industries.

#### ROK Article on Government Preelection 'Transformation'

SK3001063196 Seoul THE KOREA TIMES in English  
30 Jan 96 p 8

[Article by economic editor Pak Chang-sok: "Is Deregulation Window Dressing?"]

[FBIS Transcribed Text] From carrots to sticks. From doves to hawks. From protectionists to liberals. They put on spectacles. They wear false mustaches. The art of camouflage is snappy and dazzling.

On the eve of the April 11 National Assembly elections, fancy masquerades are in vogue. Costume balls are in full swing in political circles. The parties are hell-bent on recruiting "men of high repute" whom they would like to prop up as candidates for the coming polls. With all these additions, political parties are becoming jumbled, colorless hybrids. Voters are at a loss when trying to judge which is right for them. Who are conservatives? Who are liberals? Who are reactionaries? Yesterday's foes are becoming today's friends. Yesterday's critics are becoming today's endorsers. Voters are having more and more trouble making up their minds.

Camouflage is not only being used by politicians. Something to worry about even more is the "transformation" on the part of government policymakers. Surprisingly, government officials, arguably the very embodiment of top-down control of private business, are becoming supporters of laissez-faire economic policies. They are starting to admit honestly to past wrongdoing and actions against economic liberalization.

A notable reformer among bureaucrats is economic policymaker Na Ung-pae who has said more about deregulation and liberalization than any of his predecessors. His remarks at the Korea Employers' Federation last week made it seem as if economic liberalization were the government's darling. Na vehemently castigated bureaucrats bent on believing the private sector still needed to be protected and regulated.

"These outdated practices and systems must be eliminated once and for all in order to sustain healthy growth in the economy," he said. He repeated at other functions the slogan that economic policy should be translated into actions free from political interference.

Deputy Premier-Economic Planning Minister Na is not alone in this crusade. The hype is echoed by his deputies. In a meeting, Deputy Economic Planning Minister Yi Hwan-kyun said recently that the government would no longer meddle with the private sector. The words uttered by working-level policymakers in the aftermath of Woosong's collapse are leading the businessmen, in particular, to believe that the government

is abandoning its legendary protectionist, interventionist policies.

Leading the pack is president Kim Yong-sam who is to meet with the heads of the 30 largest business groups tomorrow. Kim is said to have called on tycoons to strive to pep up the economy which observers fear may slide down into an inflationary morass. He is to have a similar meeting with the representatives of small and medium-sized industries next month.

The words spoken and the actions taken by policymakers, including President Kim, have taken on lately a somewhat "sugary" flavor for local and foreign businessmen who had been suffering from bureaucratic heavy-handedness. What is deserving of worry is the possibility of these turning out to be mere sugar-coated electoral pledges aimed at winning the support of millions of voters engaged in business.

Favorable tax policies are being waved at taxpayers. An example of this currying favor with voters is the promise to revise the law so as to lighten the tax burden on low income bracket wage earners. Another ploy is to start looking into the abolition of excise taxes on such household items as television sets, refrigerators and washing machines.

The greatest gift to consumers is the strengthening of a system enabling the makers of consumer goods to recall faulty commodities based on customer complaints.

Amid a flood of smartly wrapped "gifts" for voters, the Samsung Group, Korea's second largest business empire, warned the government against excessively politicizing economic policies on account of the upcoming general elections in a journal published by its think tank. Yi U-kwang, a senior fellow at the Samsung Economic Research Institute, expressed concern over the possibility of investments concentrating in regions where the governing party is unpopular so as to influence the polls. He said every investment should be weighed purely on the basis of merit, not political consideration. Yi said in conclusion that stressing politics over economic principles will make it increasingly difficult for Korea to attain the goal of timely reforms. His last bit of advice is worthy of note.

The economy is apparently sinking into a bog. The Cabinet's aim is to successively engineer a soft landing. Signs of downward slide are already apparent in the checkout lines of stores in shopping malls.

Will they remain doves or liberals even after the April election? What will the future hold for the economy?

#### ROK Representative Choe Uk-chol Denies Meeting President

SK0202122696 Seoul YONHAP in English  
1155 GMT 2 Feb 96

[FBIS Transcribed Text] Kangnung, Feb. 2 (YONHAP) — The opposition Democratic Party's [DP] claim that President Kim Yong-sam met one of its lawmakers, Choe Uk-chol, to win him over in connection with the coming general elections, has turned out to have been unfounded.

In a press conference held at his hometown office here Friday evening, Choe said the reports that he had met President Kim were not true.

"I think my meeting with Presidential Secretary Yi Won-chong at the Hotel Lotte last December was somehow misled to make it appear as if I met President Kim," Choe said.

When the Democratic Party charged President Kim with trying to siphon off its legislators by trying to recruit Choe, the ruling New Korea Party [NKP] denied it saying that the president had never met Choe.

The Democratic Party promptly refuted the NKP denial, charging that NKP leaders were lying.

The dispute escalated this week when NKP Secretary-general Kang Sam-chae sued Choe and DP Spokesman Yi Kyu-tae on libel charges. The DP counter-sued Kang on the charges of false accusation.

#### ROK: Drive To Liquidate Past 'Historical Inevitability'

SK3001055096 Seoul YONHAP in English  
0403 GMT 30 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The current government drive to straighten out the nation's history and liquidate past wrongdoings are procedures for democratization and "an historical inevitability," former Prime Minister Yi Hoe-chang said Tuesday.

Formerly a judge and chairman of the Board of Audit and Inspection, Yi, who recently joined the ruling New Korea Party, made the remarks in a lecture given to students of Korea University's Graduate School of Labor Studies.

He pointed out that there are those who claim the current government's push to liquidate the past should be considered as a ploy by the incumbent administration to raise its status through blasting former regimes.

Such opinions, he noted, believe that the drive to rectify history is an attempt to blot out from Korean history the

Fifth and Sixth Republics led by indicted ex-Presidents Chon Tu-hwan and No Tae-u, respectively, both of whom are now facing graft and treason charges.

"However, these views miss the mark. The drive to liquidate the past needs to be seen from the perspective of historical awareness as a procedure for democratization. Such a drive is not the kind that can be pushed for artificially by a president or a regime," he said.

Yi, known as man of firm conviction, is expected to be named chairman of the ruling party's election campaign headquarters for the April 11 general elections.

"We should closely watch and check the attempt of those who have monopolized all the interests in the past to turn back the clock to the past."

#### ROK: Chon Tu-hwan's Health Report Submitted to Court

*SK0202083896 Seoul YONHAP in English  
0626 GMT 2 Feb 96*

[FBIS Transcribed Text] Seoul, Feb. 2 (YONHAP) — A medical examination report on the health of jailed former President Chon Tu-hwan, whose trial is slated to begin Monday, was submitted Friday to the Seoul District Court by prosecutors.

Submitted in the name of the Anyang prison warden, the medical report said that he shows signs of malnutrition, lacking protein and calories while suffering from inflammation of the stomach, headaches, hypertension, dizziness and sporadic diarrhea.

The report noted that although Chon is recovering from the side effects of his hunger strike, he is unable to stand for more than 10 minutes and sit for more than 30 minutes due to dizziness. It added that further monitoring of his health is required following two weeks of dietary treatment and medical therapy.

Indicted for accepting 215.9 billion won in bribes while in office as well as for insurrection and treason, Chon has been undergoing treatment at the national police hospital since late December. He went on a month-long fast in prison as a protest to his arrest Dec. 3 last year.

#### ROK Court Postpones Chon's Corruption Trial Until 26 Feb

*SK0202085296 Seoul YONHAP in English  
0808 GMT 2 Feb 96*

[FBIS Transcribed Text] Seoul, Feb. 2 (YONHAP) — The graft trial of jailed former President Chon Tu-hwan, which was originally set to begin Monday, has been postponed until Feb. 26, the Seoul District Court said Friday afternoon.

Judge Kim Yong-il, presiding over Chon's slush fund scandal, said the trial was put off because of the ex-president's poor health.

Chon is currently being treated at the National Police Hospital for side effects from his month-long hunger strike, which he began as a protest to his arrest Dec. 3 last year.

Earlier in the day, the prosecution submitted to the court the hospital's medical examination report on Chon's health. It said that Chon has symptoms of malnutrition, including protein and calorie deficiencies, and is suffering from inflammation of the stomach, hypertension, dizziness and sporadic diarrhea.

The medical report added that although Chon is recovering from his poor health, he is unable to stand for more than 10 minutes and sit for more than 30 minutes due to dizziness.

#### ROK: Settlement Reached on Sampung Victims Compensation

*SK3001092996 Seoul YONHAP in English  
0653 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Talks to settle the amount of compensation awards to those injured in the Sampung Department Store collapse last June reached an amicable agreement Tuesday.

Under the accord, those who suffered first degree, or the most severe injuries, will receive special consolation money amounting to 170 million won.

The compromise, reached by the Seoul City Government and the injured countermeasures committee, calls for dividing injuries into 14 categories, and 153 million won compensation for those who sustained fourth degree injuries.

Victims will receive separate compensation the amount of which depends on the severity of their losses, according to Seoul City Hall officials.

The amount of consolation money agreed to is roughly similar to that paid to victims of the Taegu subway gas explosion last year, the officials said.

There are 618 people who were injured in the Sampung collapse that will receive consolation money, for an estimated total of 38 billion won.

The Seoul City administration will first use national or city coffers to pay the victims, and will then recover its outlays by exercising its right to indemnity against Sampung Department Store, or if necessary will seize their property.

However, compensation negotiations to settle claims for those who died in the man-made disaster have not yet been concluded. City authorities informed bereaved families last December of its final offer of 170 million won special compensation for each death.

#### ROK Industrial Productivity Growth Lowest Since Feb 1994

SK3001093396 Seoul YONHAP in English  
0739 GMT 30 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — South Korea's industrial productivity is entering a full-fledged slowdown as indicated by its relatively anemic 6 percent-level growth rate last month.

According to a report on industrial trends released Tuesday by the National Statistical Administration (NSA), December's industrial productivity grew a meager 6.9 percent from the same month last year, due to stagnant performances by light industry, electricity and machinery, nonmetallic minerals and a downturn in mechanical equipment exports.

The December growth rate was the lowest since February 1994, when the growth of industrial productivity stood at 1.8 percent.

Last year growth declined 14.9 percent in July to 13 percent in August, 11.4 percent in September, 9.7 percent in October, and 7.9 percent in November, the NSA data showed.

In the fourth quarter of 1995 the growth rate plunged even further to 8.2 percent from the previous quarter's 13.1 percent.

The annual growth rate of 11.7 in 1995, however, was still higher than the 11.1 percent recorded in 1994.

Heavy and petrochemical industry dropped from 15.6 percent in September to 10.1 percent in December, while light industry productivity shrank minus 0.6 percent in November and minus 3.9 percent in December.

Manufacturing factories ran at an average 81.6 percent of capacity in the second half of 1995 and 80.7 percent in December compared with 83 percent in the first six months of 1994.

Last month's manufacturing productivity also grew a mere 8.2 percent over December 1994.

Orders for domestically-made machines also dropped 11.4 percent from the previous December, and construc-

tion permits, a leading economic indicator, also fell 10.4 percent due to an increase in unsold apartments.

December's leading composite and coincidence indexes stood at minus 0.2 percent and zero percent, respectively, compared with November's 0.7 percent and 0.6 percent.

#### ROK: Kolon Group Names Yi Ung-yol New Chairman

SK3001055496 Seoul THE KOREA TIMES in English  
30 Jan 96 p 8

[FBIS Transcribed Text] Yi Ung-yol was yesterday named chairman of the Kolon Business Group to succeed his father, Yi Tong-chan, to lead the textile conglomerate into the next century as one of the nation's top 10 groups.

In a ceremony, the 40-year-old Yi said he will focus on more offensive management rather than a system of emphasizing stability to realize a turnover of 18.3 trillion won by the turn of the century.

"The Kolon Group will concentrate on such new businesses as information and telecommunications, distribution and finance, investing a total of 1.5 trillion won over the next five years," he told Kolon officials.

The younger Yi had been widely rumored to take over from his father and follows the emergence of a new generation of business leaders to top group positions, including Ku Pon-mu of the LG Group.

In existing industries such as textiles, construction and general trading Kolon will commit 3.5 trillion won in new investments as part of measures to become one of the nation's top 10 business groups.

Stressing that there has been a lack of the spirit of ownership among the staff of the Kolon Group, the new chairman put forth "One and Only" as the new corporate principle to become a new competitive force.

"We will make Vietnam, Hong Kong, Indonesia and Hong Kong focal points for our penetration into Southeast Asia as part of the second takeoff," said Yi, who obtained his masters in economics at George Washington University.

Yi Ung-yol, who is fluent in both Japanese and English, joined Kolon Corp. as a director in 1985 and has served in various vital posts, including head of the group planning and coordination office. He became group vice chairman in 1991.

### Burma

**Burma: SLORC Focus Reportedly Shifts to Suu Kyi**  
*BK0202114396 Bangkok BANGKOK POST  
in English 2 Feb 96 p 5*

[Report by Suphaphon Kanwirayotin and Nutsara Sawatsawang]

[FBIS Transcribed Text] Rangoon — For over two weeks now, Burma's state-controlled media have churned out a steady flow of reports concerning Mong Tai Army [MTA] troops "returning to the legal fold" following the unceremonious surrender of their leader, Khun Sa, to the Rangoon military government in early January.

Finishing off Khun Sa's insurgency, the junta whose official name is the State Law and Order Restoration Council (SLORC) can now turn to yet another battle — with popular opposition leader Aung San Suu Kyi whose National League for Democracy [NLD] won a sweeping majority in the May 1990 general elections.

But the Suu Kyi question is a more difficult one for SLORC as her popularity remains uncontested despite the junta's efforts to win popular support through religious promotion and development works.

With the MTA still leaving various spots around Shan State to surrender their arms and pledge allegiance to good Burmese citizenship, Khun Sa will most likely remain in the area until "the return to the legal fold" exercise winds up, according to a well-informed source.

"Khun Sa is a very practical man with business acumen backed up by an excellent information/communication network. Perhaps he has already calculated that surrendering to SLORC is the least evil scenario," said the source.

Khun Sa's surrender was a hastily organised affair, for even the generals in Rangoon were not quite sure whether the half-Chinese half-Shan opium warlord, who has always proclaimed himself to be a Shan freedom fighter, had something up his sleeve when he contacted a local light brigade stating his wish to give up his army.

SLORC's powerful first secretary, Lt. Gen. Khin Nyunt, made a secret trip to Mong Hsat, an area along the same latitude as Tachilek opposite Mae Sai District in Chiang Rai Province, in mid-December during which he communicated Rangoon's instructions to local commanders on how to handle the MTA surrender which took place two weeks after his visit.

Internal rifts within the Shan nationalist movement among those disenchanted with Khun Sa also precipitated the surrender.

The 12,000 MTA troops handed over a large assortment of arms which analysts here said would be enough to replenish a few divisions of the Burmese army.

The most obvious material gains for SLORC are the armament factory at the MTA's headquarters in Ho Mong, along with two well-stocked caches which include 15 surface-to-air missiles, items SLORC does not even possess.

Sources close to him said Khun Sa has resumed the drinking and smoking habits he previously managed to kick in order to beat chronic anxiety and depression brought on by the US federal indictment in 1989 against him on 10 charges of narcotics trafficking. Seeking shelter with SLORC seems to be the best solution.

SLORC, citing the absence of a bilateral extradition treaty, has said it will not hand over Khun Sa to the US government. After seeing to the shifting of alliance among his men, Khun Sa is most likely to stand trial on drug-related offences in Rangoon where SLORC can assure him of protection against the mighty American tentacles.

Khun Sa looks set to sail along a course charted by SLORC which will resemble the fate of his predecessor Loh Hsin Han, a former key drug dealer who is living in peaceful retirement in the northern Shan town of Lashio.

That course prescribes a trial in Rangoon, a death sentence commuted to life imprisonment which will then be negated by pardons allowing Khun Sa to go free after serving a reasonably brief jail term, according to sources familiar with SLORC thinking and Burma's justice system.

"An immediate amnesty for Khun Sa to get away with it all will cause SLORC to lose face, making a mockery of its efforts to create a drug buster image," said a Burmese analyst. Drug-related offences carry a penalty of 10 years imprisonment to capital punishment in Burma.

With the Khun Sa episode running to a routine end, SLORC is up against the Suu Kyi question it has so far refused to solve.

SLORC freed Mrs Suu Kyi from six years of house arrest last July, but has so far shunned her calls for a dialogue on the grounds that it is busy preparing Burma's economic take-off.

"Yet unless there's political change, Burma's economy won't take off," said a senior Burmese analyst pointing to the dilemma facing the junta.

Eager foreign governments and international financial institutions are refraining from unleashing massive loans

to fund Burma's infrastructure developments until a legitimate government is in place. Or so it seems.

SLORC is acutely aware of its limits and the need for access to those credits even though its public statements stress that Burma can get by without foreign aid, confided foreign businessmen in Rangoon.

Mrs Suu Kyi remains as popular as anti-military sentiment remains strong among ordinary Burmese.

In urban centres in the southern Shan state, people resent having to vacate their homes to make way for city beautification or having to "volunteer" one labourer each per household for public works.

Inflation and the rising cost of commodities, especially rice, have emerged lately as campaign themes for both sides. At the same time, SLORC has vowed to rein in inflation and introduce price-stabilising measures.

Although the Burmese people still hate the military, which is trying to win them over through religious and development works, stability and economic reforms have had a positive effect on Burma to a certain degree during the six years Mrs Suu Kyi was locked up in her home, say analysts.

The stances taken by SLORC and Mrs Suu Kyi are so rigid and so wide apart fundamentally that a dialogue might not help, said one analyst.

As Burma opens up and foreign businessmen can no longer resist the opportunities here, Mrs Suu Kyi will not be able to count too heavily on external support in pressuring SLORC into political change.

After all, the strength "lies within — her party and the country", and SLORC will not bow to any form of foreign pressure, the analyst said.

#### Thai Paper: Burma's SLORC Gives Rangoon House to Khun Sa

BK0202080296 Bangkok BANGKOK POST  
in English 2 Jan 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Khun SA has been given a house in central Rangoon as a reward for his defection to the State Law and Order Restoration Council [SLORC], a Mong Tai Army source said yesterday.

The heroin magnate was taken by helicopter from his former base in Ho Mong, Shan State, on Friday to Rangoon where the house was handed over.

SLORC officials invited Khun Sa to move in but he asked for time to make a decision and returned to Ho Mong the same day, said the source.

Khun Sa, he said, was benefiting from his close connection with SLORC leaders, particularly Gen Ne Win, who had virtually adopted him as a son.

In Mae Hong Son, meanwhile, Governor Somchet Wiriyadamrong said clashes between SLORC troops and Karen guerrillas have not affected border villages and tourism.

Mr Somchet said shells often landed in jungle areas, about 50 km from the provincial centre.

If the fighting intensified, the province would seek talks with the SLORC rather than reinforce military units along the border, he said.

Mr Somchet said the province had provided shelter at Huai Buk for 2,200 Karen and Shan civilians who fled the fighting.

Independent agencies were helping with relief supplies, he said, and the refugees will be repatriated once it is safe.

#### Burma: Five SLORC Soldiers Desert in Chin State

BK0202134396 Oslo Democratic Voice of Burma  
in Burmese 1100 GMT 2 Feb 96

[FBIS Translated Text] Four SLORC [State Law and Order Restoration Council] soldiers deserted on 6 December 1995 in the Chin National Army's [CNA] northern region, along with full arms and ammunition. They are: Private Win Zaw, personal identification number [PIN] 922747; Pvt. Kyaw Hein, PIN 826479; Pvt. Khin Maung Oo, PIN 772571; Pvt. San Win, PIN 959614, of Company No.1 of the Light Infantry Battalion [LIB] No. 269 based in Tiddim in Chin State.

Pvt. Kyaw Zan, PIN 954988 of Company No. 1 of the LIB No. 540, also deserted with one G-3 machine gun on 2 January. They said they deserted because the SLORC units are torturing the people and treating the soldiers brutally. They also said that there are many soldiers who want to desert. The CNA information department said a SLORC commander ordered the news spread that the five deserters were shot and killed while they were escaping. The information department said, however, that the CNA is looking after the five deserters, and it is keeping them in a secure place.

#### Burma: Surrender of MTA Members 26-28 Jan Reported

BK0202101296 Rangoon TV Myanmar Network  
in Burmese 1330 GMT 1 Feb 96

[FBIS Translated Text] The State Law and Order Restoration Council [SLORC] government has been striving for national reconsolidation by designating

political objectives in order to bring about a new modern developed nation and peace, tranquility, and stability throughout Myanmar [Burma].

After realizing the genuine goodwill of the SLORC, members of Khun Sa's MTA [Mong Tai Army] have been continuously returning to the legal fold since 5 January, surrendering themselves and their weapons to the Defense Services.

On 27 January, 150 MTA members led by Chao Sit Shan Laung surrendered together with 39 assorted weapons at the Khike Lone Camp near the Myanmar-Thai border in eastern Salween River region. The ceremony was attended by Colonel Thura Thiha Thura Sit Maung from the eastern military command and senior military officers, who inspected the surrendered weapons and greeted the MTA members.

At the ceremony, Chao Sit Shan Laung from the MTA explained the nature of their surrender while Col. Thura Thiha Thura Sit Maung delivered a welcoming address. Next, Chao Sit Shan Laung presented the MTA members and weapons to Col. Thura Thiha Thura Sit Maung after which the ceremony ended. They were also provided with transportation to return to their homes.

On 26 January, two members from MTA 273d Brigade, active in the Kyaing Taw region in Namsan township, gave themselves up to the Defense Services bringing in two weapons.

Similarly, on 28 January, 13 MTA members led by Deputy Company Commander Khun Sit Mung from the Law Mar faction, who had been active in the Mong Yin-Mong Hta region in Mong Yai Township, surrendered together with 11 assorted weapons to the Defense Services column in Nanmani Village.

A total of 12,264 MTA members have returned to the legal fold together with 7,372 assorted weapons since 5 January 1996. Responsible personnel have been giving necessary assistance for their transportation, resettlement, and livelihood with state funds.

#### **Burma: Rangoon Troops Crush Karen Stronghold**

*BK0202035396 Bangkok PHUCHATKAN in Thai  
31 Jan 96 p 2*

[FBIS Translated Text] Indochina/Regional Center — At 1000 on 29 January, SLORC [State Law and Order Restoration Council] troops launched attacks on and successfully captured the major stronghold of the Karen or Kayah at "Thanakhwai" village after five hours of heavy fighting. The Karen soldiers abandoned the stronghold and fled in disarray, heading toward the

south. Rangoon troops are now in full control of the logistics route along the border with Thailand.

A security source stationed in the border area of Mae Hong Son Province disclosed that Battalion 421 and Battalion 426 of the Rangoon government launched a joint assault operation on Monday against Base BP9 of Karen's Battalion 2 in the First Battle Zone under the leadership of Khu Bay Reh [name rendered in English] before the defenders abandoned the stronghold. Casualties on both sides are still unknown.

On 28 January Rangoon troops also attacked Base Up at Nan Hun Lame village in the area bordering Khun Yuam District of Mae Hong Son Province but failed to conquer it.

Thanakhwai village is located about 10 kilometers from Naisoi village of Tampon Pang Mu, Muang District, Mae Hong Son Province. In the past, the Karen army always put up strong resistance to prevent Rangoon troops from gaining control of the route linking the two villages because it has been used for transportation of import and export goods between Thailand and Burma at the border of Mae Hong Son Province.

Rangoon troops earlier made several attempts to capture the Thanakhwai stronghold. The defeat of the Karen at the stronghold will enable the Burmese Government to gain full control of the areas bordering Mae Hong Son Province. After the surrender of the Shan rebels, the Karen is the only ethnic group that is still fighting the government.

In an attempt to reconcile with the Karen, the Burmese Government on 23 January sent a delegation comprising U Bo Ni, Nai Mi Le, and religious leader Moses to hold talks with General Ong Ta Le, chairman of the Karen National Progressive Party (KNPP) at Surin village in Kayah State opposite Khun Yuam District.

The government delegation informed the Karen side that SLORC Secretary-1 Lieutenant General Khin Nyunt wanted the Karen to send a delegation to Rangoon before 31 January. Otherwise, the Burmese government would resort to drastic actions against the KNPP.

General Ong Ta Le informed the Burmese Government delegation that his KNPP would not send any delegation for talks with the Burmese government nor would it surrender to the government as long as the latter does not accept the 16-point agreement signed on 21 March 1995. The government delegation was then escorted out of the KNPP-controlled area through border pass BP14 (opposite Mae Sariang District of Mae Hong Son Province) on 25 January.

General Brigade Aung Mya, commander of the Karen's Northwestern Force revealed that the KNPP army will continue its guerrilla warfare against the Burmese Government troops and reject any negotiation proposals put forth by the latter. Meanwhile, the KNPP announced that four battalions of Burmese Government troops and twenty 20-mm mortars were airlifted by Bell helicopters to Ho Mong in preparations for assault operations against the Karen strongholds from the north.

**Burma: BBC Interviews Aung San Suu Kyi on Economic Policies**

**BK0202025096 London BBC in Burmese to Burma 1345 GMT 30 Jan 96**

[Interview by telephone with Daw Aung San Suu Kyi of the National League for Democracy and leader of the opposition in Rangoon by U Than Lwin Tun from the BBC Burmese Section — recorded]

[FBIS Translated Text] [Begin recording] [Than Lwin Tun] The first thing I want to know is Daw Aung San Suu Kyi's opinion on the SLORC [State Law and Order Restoration Council] military government's economic policies, especially their claims that economic development was on a sustainable upward track and would eventually lead to the country's democratization.

[Aung San Suu Kyi] First, I would like to ask what they mean by sustainable economic development. As far as we can see, a small group of rich people in the country are getting richer, but the majority of the people are facing great economic difficulties. So, we don't see this as economic development, because if there is economic development in a country, there should also be equality; there should be development in every strata of life. If only a small group gets richer, the gap will widen between those who have money and those who do not have money, between the rich and the poor. We believe that this widening gap will affect economic development and cause social unrest in the long term.

[Than Lwin Tun] So, you mean to say that this is not the correct way for the country's democratization.

[Aung San Suu Kyi] How can a country based on these kinds of inequalities achieve a stable democracy? The present economic policies do not give equal rights to all. Moreover, these policies do not direct the necessary assistance and funds to the general public, who need them the most.

[Than Lwin Tun] Another point I want to raise concerns foreign investment. Yesterday, Trade Minister Lieutenant General Tun Kyi said at a seminar sponsored by the United Nations Economic and Social Commission

for Asia and Pacific that he believed Burma's economy will skyrocket if it could get substantial financial and technical cooperation from abroad. What would you like to say on this?

[Aung San Suu Kyi] This matter is related to what I have said earlier. On investment, it depends on the nature of the investment. It would be a different matter if the investment really benefited the whole country, if the investment really lift the standards of the needy and deprived populace. As I said earlier, I think investments that widen the gap between the rich and the poor will not be beneficial for the country.

[Than Lwin Tun] What about investments concerning the construction of roads and bridges. Don't you think these will benefit the poor of Burma?

[Aung San Suu Kyi] They are mentioning investments for transportation, but the people have to contribute volunteer labor for the construction of roads. This is also very widely known. But, in building these roads — it is nice to have good roads — the people have to invest their sweat, poverty, and misery.

[Than Lwin Tun] Apart from investments from private companies and other individual governments, is the present Burmese military regime getting any aid or assistance from international financial institutions such as the International Monetary Fund, the World Bank, and the Asian Development Bank?

[Aung San Suu Kyi] As far as I know, they have not received any such assistance. There are many requirements, fundamental requirements, for a country to develop and to enjoy sustainable economic growth. The most important fundamental requirement is the rule of law, because the trust and security needed for economic development can exist only if there is rule of law. That is why, we would like to stress that the political system, the legal system, and the economic system all go together; they are inseparable.

[Than Lwin Tun] Regarding the present rule of law situation, the SLORC [State Law and Order Restoration Council] government has claimed that they have managed to restore law and order. What is your opinion on that?

[Aung San Suu Kyi] Our opinion is that the people are not meant to be quiet, submissive, pressed, and flattened [literal translation of vernacular term for law and order]. The legal system should accommodate a sense of happiness and security for the people. We believe that just laws that provide happiness and security for the people should be strongly preserved.

[Than Lwin Tun] What about investments. Do you think this is not the right time to invest in Burma? And why?

[Aung San Suu Kyi] As I mentioned earlier, the present investments do not benefit the citizens; moreover, we believe that these investments will also not benefit the investors in the long term. I say this because some economic observers that have no connections with us have said that if no necessary changes are made at this time, you cannot achieve sustainable economic development in the long term, no matter how much investments you make. What the economic observers noted included the rule of law, which I had mentioned earlier — the need of a secure and strong legal system that clearly protects economic enterprises.

[Than Lwin Tun] Can we accept what you have just said as the economic policy of the National League for Democracy [NLD].

[Aung San Suu Kyi] I have written an article about our economic policies. BBC will know what our economic policies are when the article is published. These economic policies are the ones that we campaigned for in the 1990 elections. But since the status of the NLD was changed in July 1990, we were unable to print and distribute these policies to the masses. [end recording]

### Brunei, Malaysia & Singapore

#### Malaysia

**Malaysia: Deputy Premier Meets With Iraqi Industry Minister**

*JN0102204496 Baghdad Iraq Television Network in Arabic 1800 GMT 1 Feb 96*

[FBIS Translated Text] Malaysian Deputy Prime Minister Anwar bin Ibrahim received Iraqi Minister of Industry and Minerals 'dnan 'Abd-al-Majid Jasim in Kuala Lumpur yesterday evening.

The minister reviewed the effects of the unjust embargo imposed on Iraq and the great suffering its continuation is causing the Iraqi people. The two sides also discussed bilateral relations and means of bolstering them in the interest of the two fraternal peoples. The meeting was attended by the Iraqi ambassador to Malaysia.

**Malaysia: Riot Perpetrators Volunteer To Return to SRV**

*BK0202103096 Kuala Lumpur THE STAR in English 2 Feb 96*

[BERNAMA report — receive via Internet]

[FBIS Transcribed Text] Kuala Lumpur — All the 84 people identified as rabble-rousers in last month's riot at the transit camp for Vietnamese immigrants here

are among 1,150 people who have volunteered for repatriation.

They had had enough of fighting against repatriation and had given up hopes of being resettled in third countries. Camp Commandant Deputy Superintendent Lim Boon Boo told reporters yesterday.

Some of the inmates were fed up with the troublemakers and had asked the authorities to isolate them, he said.

All of them registered with the United Nations High Commission for Refugees (UNHCR) for voluntary repatriation after the riot at the Sungai Besi camp which saw seven policemen and 17 inmates injured. One of the inmates died at the Kuala Lumpur Hospital the same day.

"I was told by the UNHCR representative here that more inmates were coming forward to register for voluntary repatriation after the riot," Lim said.

### Singapore

**Singapore: Reports on End of Military Training in Taiwan Denied**

*BK0102120496 Singapore THE STRAITS TIMES in English 1 Feb 96 p 22*

[Report by Felix Soh]

[FBIS Transcribed Text] There is no truth in Taiwanese media reports that the Singapore Armed Forces (SAF) will stop training in Taiwan, said Deputy Prime Minister and Defence Minister Dr. Tony Tan yesterday.

In response to a question on overseas training, he said: "As regards stopping our training in Taiwan, there is no truth in the Taiwanese media reports."

Recent press reports in Taipei said Singapore might suspend its training programme in Taiwan.

On overseas training, he said that as Singapore developed, the land available for military use would shrink further.

"Some of our friends have helped us by giving the SAF access to their training facilities and training areas and we appreciate the assistance they provide," he said.

These countries were Indonesia, Thailand, Brunei, Taiwan, Australia and the US.

He disclosed that other countries had also said they welcomed the SAF to train in their territories. These included India, South Africa, Pakistan and Turkey.

If new overseas training opportunities are presented to us, we will of course evaluate their suitability for SAF training," he said.

**Burma's Suu Kyi Urges Singapore Business Investment**

**BK0102120296** *Singapore Radio Corporation of Singapore in English 1000 GMT 1 Feb 96*

[FBIS Transcribed Text] Myanmar's [Burma] opposition leader Aung San Suu Kyi said ASEAN's constructive engagement policy with Myanmar is meant to bring about change in the country, but it is now being seen as an endorsement of the status quo. She urged ASEAN to adopt a policy that engages both the military government as well as the democratic opposition in the country. Ms Suu Kyi made the call in an interview with Radio Corporation of Singapore news reporter (Cheng Wing Gau):

[Begin recording] [(Cheng Wing Gau)] Looking rather tired after having just recovered from a recent illness, Ms Suu Kyi spoke enthusiastically throughout the interview. She said ASEAN can help Myanmar more effectively by putting pressure on the Myanmar Government to observe the rule of law in the country, which the opposition leader described as a necessity for progress.

[Aung San Suu Kyi] We have great admiration for ASEAN because the ASEAN countries have done very well and they are countries of which we Asians can be proud if there is rule of law. The Singaporeans know exactly what the laws are — they have rights and if they break the laws, they will be punished but in accordance with the laws. They know where they stand. This means that it is a society where there is security.

[(Cheng Wing Gau)] Ms Suu Kyi said currently such a system of laws is absent in Myanmar and if it remains so, it will be unhealthy for the country and also the region. On investment, Ms Suu Kyi said she would like investors to take a holistic approach towards Myanmar.

[Aung San Suu Kyi] What are the conditions conducive to good business? What are the conditions which will guarantee that your investments will pay off in the long run? Many businessmen cannot really go below the surface and study the situation in Burma. Many Singaporean businessmen tend to ignore the fact that Burma is very very different from Singapore. Singaporeans are very keen on education. I think that is one of the most important factors in Singapore's development.

[(Cheng Wing Gau)] Ms Suu Kyi added in the long run she would like to see more investment in infrastructure and in the kind of industries that would give jobs to people who really need them. In the weekly meet the people session outside her home in Yangon [Rangoon], Ms Suu Kyi said she hoped in 20 years' time, a

democratic Myanmar can be as prosperous as Singapore. [end recording]

**Indonesia****Indonesia: East Timor GPK-Fretelin Members Kill Two Civilians**

**BK0202082896** *Jakarta SUARA KARYA in Indonesian 2 Feb 96 p 11*

[FBIS Translated Excerpt] Dili, 1 Feb (ANTARA) — At least 10 members of the GPK-Fretelin [security disturbance movement-Revolutionary Front for an Independent East Timor], who have frequently operated in the western part of East Timor Province, indiscriminately burned down five houses and killed two residents of Belantara Commune, Asalau Village, Hatolia Subdistrict, Ermera District about 65 kilometers south of Dili on 30 January.

Ermera District Chief Drs. [academic title] Constantino Soares, however, told ANTARA by phone on Thursday evening that he had not received a report on the incident.

"I have been busy over the past two days making arrangements for the funeral of a convict, who was an Ermera resident, killed during a riot at the Becora Corrections Center in Dili. I have not received any report," he said. [passage omitted]

**Indonesia: Vice President on Importance of Production Quality**

**96SE0007A** *Jakarta SUARA KARYA in Indonesian 25 Oct 95 pp 3, 8*

[Text] Jakarta (SUARA KARYA) — The growing number of countries which are competing in attracting the interest of foreign investors should be watched carefully. Indonesia can no longer rely on the low wages of its workers but must be able to encourage worker productivity and labor competitiveness. It must also improve its infrastructure, laws, and regulations, as well as raise the quality of its manpower resources.

Vice President Try Sutrisno made this statement when he was opening the Coordination Meeting (MUKOR) of the Central Investment Coordinating Board and the Regional Investment Coordinating Boards (BKPM-BKPMD), held at Istana Merdeka Selatan [South Freedom Palace] in Jakarta on 24 October. Attending the opening of the Coordination Meeting were Sanyoto Sastrowardoyo, minister of investment and chairman of the BKPM; Minister of Public Works Radinal Mochtar; Minister of Tourism, Posts, and Telecommunications Joop Ave; and 250 other guests, including provincial governors, the directors of Investment Offices and the

chairmen of Capital Investment Boards down to the regency level, as well as the chairmen and deputy chairmen, the secretaries, and chiefs of Capital Investment Boards from all areas of Indonesia. The Coordination Meeting will last for three days and will conclude on 26 October.

According to the vice president, the level of international competition in attracting foreign capital investment is becoming increasingly sharp at the present time. This circumstance has been strengthened by the growing number of countries which have adopted open economic systems, including the countries of Eastern Europe and Indochina.

The vice president said that every country is trying to attract investor interest by offering various kinds of attractive facilities and incentives for capital investment. In a number of countries which have recently opened their economies, their ability and opportunities to attract foreign investors have grown. Among other things, they offer low wages, simplified bureaucratic procedures, and a longer investment period.

This phenomenon, the vice president continued, must be watched carefully. It should encourage Indonesia to make a greater effort to attract investments by acting more quickly, more carefully, and in a more steady way. Investments must be handled more effectively and honestly, respecting basic principles. Indonesia can no longer rely on low wages, because the wages of its workers are rising steadily. For that reason Indonesia must encourage an increase in labor productivity and its competitive capacity, and must make improvements in its infrastructure, as well as modernizing its laws and regulations. At the same time it must make an effort to improve the quality of government services.

He said that with improved quality in government services, officials can provide better, more considerate, and more attentive treatment, and make it easier to communicate. On this basis it is hoped that investors will find it more attractive to invest their capital in Indonesia.

#### Trade Promotion

According to the vice president, the effort to attract foreign investors is the same as efforts to promote a product in the business world. For that reason the promotion of Indonesia must be carried out on a more sustained basis. Information concerning areas of the country which need investment must be true, complete, and attractive. It must be accompanied by a variety of facilities and conveniences. Information networks should also be set up to lobby investors on repeated occasions.

Foreign investors should also be provided with the best service. They should not be treated in such a way that they cancel their plans to invest, because they consider that government offices do not want to help them and, indeed, make the process of capital investment more difficult. The same kind of treatment should also be given to Indonesian investors. The vice president said, "Let us create a healthier, more accommodating, and more appropriate investment climate."

#### Very Much Interested

Sanyoto Sastrowardoyo, the minister of investment and chairman of the Investment Coordination Board, reported that up to 15 October 1995 the government had approved 9,547 PMDN [Domestic Capital Investment] projects worth 359.6 trillion rupiah, and 3,810 PMA [Foreign Capital Investment] projects worth \$131.4 billion. Approvals of foreign capital investment projects have sharply jumped so far in 1995, with projects worth \$33.5 billion, compared to foreign capital investment projects approved worth \$23.7 billion during the same period of 1994.

These figures reflect the fact that there is great interest in Indonesia by foreign investors as a place for investment. There is full confidence in Indonesian future economic prospects. The vice president said, "This also means that foreign capital investors are increasingly convinced of the success of Indonesian economic development at present and its prospects in the future."

Based on the economic growth over the past two years, on 16 August 1996 the government decided that its target for economic growth during the Sixth Five-Year Plan will be raised from 6.2 percent to 7.1 percent each year. To achieve this level of growth, larger investment funds will be needed, increasing from 660 trillion rupiah to 815 trillion rupiah.

The investment target in the framework of domestic and foreign capital investment during the Sixth Five-Year Plan will also increase by 26.7 percent. That is, from 177.3 trillion rupiah to 224.7 trillion rupiah. According to Sanyoto, this increase of 26.7 percent is substantial, considering the limitations on investment funds, both those from domestic as well as foreign sources. There is also competition with other countries in attracting foreign investors.

To achieve this investment goal, the government has adopted an investment strategy aimed at increasing the flow of domestic and foreign investment funds, providing investment facilities, and encouraging Indonesian domestic investments. This policy has been adopted to improve the investment climate to make it increasingly attractive by raising the quality of investment services.

undertaking focused investment promotion, and supporting and stimulating the investment of funds from the Indonesian community.

**Indonesia: Minister Recommends Low Import Duty on Polyethylene**

**96SE0005D** Jakarta **BISNIS INDONESIA**  
in Indonesian 1 Nov 95 p 1

[Text] Jakarta (BISNIS INDONESIA)—The minister of industry has recommended a reduction to 5.0 percent of the import duty on "cable grade" polyethylene (PE) for an unlimited period of time. This reduction could reduce the sales price of cable to PT PLN [State Electricity Corporation] and PT Telkom [Indonesian Telecommunications Corporation].

Kusudiharso Hadinoto, the general chairman of the Association of Indonesian Cable Manufacturers (APKABEL), has stated that a memorandum recommending approval of the reduction was submitted by the minister of industry to the Department of Finance at the end of September for that department's approval.

He said in Jakarta on 31 October: "Unlike the practice in previous years, the import duty reduction will be approved for an unlimited period of time. As a result, the minister of finance will not need to renew his decision on the reduction every year."

Based on the recommendation of the minister of industry, the import duty on cable grade polyethylene will be set at 5.0 percent and will remain in effect until local producers turn out the raw material for the cable.

Kusudiharso hopes that the minister of finance will shortly issue a decision on compensation for the import duty, because since March 1995 cable manufacturers have been paying an import duty of 40 percent ad valorem on cable grade polyethylene.

As a result of paying such a large import duty the sales price of the cable to PLN and Telkom was raised about 3.0 percent in 1995.

Kusudiharso continued that, although the percentage for calculating the import duty is small, the price increase has been very significant, amounting to about 1.6 trillion rupiahs, because of the volume of purchases of polyethylene cable by PLN and Telkom.

He said: "If the import duty reduction is approved, certainly the price of polyethylene cable will return to its original price, that is, the price when we first obtained a reduction in the import duty on polyethylene."

According to estimates by APKABEL, the level of domestic sales of cable per year amounts to 2.0 trillion

rupiahs. Of this total, about 80 percent is purchased by PLN and Telkom.

Kusudiharso admitted that so far only Telkom approved the price increase (following the increase of the import duty to 40 percent). Meanwhile, discussions with PLN "have made no progress. The price increase has been a burden on the budget of the two state companies, because their purchases have been very large."

The application of the import duty of 40 percent on polyethylene was caused by the end of the period of validity of the tariff concession previously approved by Minister of Finance Decision Memorandum No. 235/KMK.01/1995, dated 30 May 1995.

Since the import duty on polyethylene was increased from 5.0 to 40 percent—following the entry into operation of the factory owned by PT Peni [Indonesian cable manufacturer]—the cable producers have obtained an import duty concession, so that they paid a duty of 5.0 percent ad valorem. However, this concession was only in effect until 1 February 1994.

This duty concession was later extended in Minister of Finance Decision Memorandum No. 235/KMK.01/1995, dated 30 May 1995. However, this memorandum of decision was only in effect on imports of cable from March 1994 to February 1995.

As a result of the delay in approval of the Minister of Finance Decision Memorandum, cable producers were forced to pay a bank guarantee of 40 percent ad valorem on imports of polyethylene. The process of repayment of the guarantee is still under consideration by the Directorate General of Customs and Excise.

Kusudiharso added that domestic producers of polyethylene products—PT Peni and PT Chandra Asri Petrochemical Center (CAPC)—have not yet produced this type of polyethylene product because the market is considered too small.

He continued that APKABEL wants separate tariff classification numbers for "cable grade" and "film grade" polyethylene products. However, because of difficulties in the inspection system in the ports, the Indonesian Government has objected to such a change.

APKABEL estimates that total imports of cable grade polyethylene in 1995 will amount to 60,000 tons. At present the price of the commodity on the international market is about \$1,250 per ton on a cost plus freight basis (C&F).

He said that in principle the import duty concession is under the jurisdiction of the Tariff and Fiscal Team which later submits its recommendation to the ministers

of industry and finance. Meanwhile, collection of the import duty is in the hands of the Directorate General of Customs and Excise. He continued: "The o73 important thing at present is obtaining the approval of the minister of finance. We are waiting for that."

Based on Minister of Industry Decision Memorandum No. 205/M/2/1994, the 1994 requirements of the 17 Indonesian cable producers which qualified for the import duty concession amounted to about 56,280 tons. Apart from cable producers, the duty concession was also valid for three companies producing "extra light polyethylene" (XLPE) products, with total imports of 6,600 tons. Also affected were five polyethylene "master batch" companies, which imported 4,750 tons. As a result, total requirements of cable grade polyethylene amount to 67,630 tons per year.

Kusudiharso said that this import duty policy affects the sales price of cable to Telkom and PLN. However, until now APKABEL has only agreed on a price adjustment with Telkom on a quarterly basis.

He said that domestic Indonesian cable producers will be able to meet all requirements for 5.0 million units of telephone connections during the Sixth Five-Year Plan.

### Philippines

**Philippines Navy Chief Denies 2d Clash With PRC Boats**

*BK0202111996 Hong Kong AFP in English  
1101 GMT 2 Feb 96*

[FBIS Transcribed Text] MANILA, Feb 2 (AFP) — The Philippine Navy chief said Friday that no gunboat had clashed with suspected smugglers' vessels bearing Chinese markings in the South China Sea on January 25, contrary to a police report.

Vice Admiral Pio Carranza was quoted by official Philippine News Agency as saying he has not received a report about the supposed incident in the South China Sea off the coast of Zambales province, northwest of Manila.

The occurrence of a second clash was reported by the Philippine National Police regional headquarters north of Manila that covers Zambales. It said the alleged encounter was witnessed by fishermen.

"Not one of the several gunboats of the Navy patrolling the area on that particular day of January 25 encountered an unidentified vessel," Carranza told the official Philippine News Agency.

"No shots were fired either, by any Philippine Navy gunboat on that day," he added.

Carranza has confirmed a first clash in the area on January 22 in which a navy gunboat exchanged heavy fire with one of two foreign vessels near the site of the supposed second encounter.

Filipino troops earlier said the vessels were flying the Chinese flag in the January 22 incident, but later backtracked, saying the nationalities of the boats could not be ascertained.

**Philippines Official: Russia, 8 Others Seeking APEC Membership**

*BK0202082196 Manila BUSINESS WORLD  
in English 2 Feb 96*

[Report by Paul N. Villegas and Marvin A. Tort — received via Internet]

[FBIS Transcribed Text] Russia and other countries are seeking membership in the Asia Pacific Economic Cooperation (APEC) forum after the moratorium on membership is lifted this year, a senior foreign affairs official said.

Foreign Affairs Undersecretary Federico Macaranas said Russia, India, Mongolia, Peru, Vietnam, Ecuador, Colombia, Laos and Panama have all sought membership in the nascent economic grouping. It is not yet clear, however, if APEC members would lift this year the moratorium on membership. Mr. Macaranas said some APEC members want the moratorium to remain because they want the economic grouping to be deepened and strengthened further before accepting new members.

"(Other members) believe that we should consolidate before expanding while the others say APEC should be an open group," Mr. Macaranas said. APEC members are expected to discuss this year the issue on accepting new members since the moratorium is set to end this November after it was imposed three years ago in Seattle during an APEC ministerial meeting.

Some countries in the region, notably the member states of the Association of Southeast Asian Nations, of which Vietnam is the newest member, is expected to push for the automatic inclusion of Hanoi in APEC this year in view of its association with ASEAN, APEC's core group.

**Philippines: Belgium Commits \$30 Million for Social Projects**

*BK0202114196 Manila BUSINESS WORLD in English 30 Jan 96 p 11*

[Unattributed report]

**[FBIS Transcribed Text]** The Belgian Government has granted the Philippines "program-country" status, assuring a funding assistance of \$30 million for Philippine social development projects in three years.

This was announced by Director General Paul Lelievre-Damit of the Belgian Administration Development Cooperation [BADC] during a consultation on the RP [Republic of the Philippines]-Belgian Bilateral Cooperation held in Brussels recently.

He said Brussels' recognition of the Philippines' new status is in support of the country's special programs "which aim at turning economic growth into employment and which try to stimulate the development of rural regions by providing for the (people's) minimum basic needs."

Mr. Lelievre-Damit said the decision to grant new status to the Philippines was made after he visited the country in September last year.

He explained the new status means that funding assistance of \$10 million will be allocated to the country annually for three years.

Representatives of Brussels and Manila agreed that the National Economic and Development Authority [NEDA] should be involved from the early stages of project formulation in order to avoid delays.

NEDA Director General Cielito Habito said the support can "greatly contribute to the realization of the Philippine Social Reform Agenda which aims to put the poor people in the center of development."

Belgium will expand its support for the Philippines' agrarian reform program by adding two new project areas — basic health and education — in the Belgian Agrarian Reform Support Program [BARSP] in the country, the Department of Foreign Affairs yesterday said.

Minister Counselor Julius Torres of the Philippine Embassy in Brussels said the assurance was made by director general Paul Lelievre-Damit of the Belgian Administration for Development Cooperation to Socio-economic Planning Secretary Cielito Habito last week in Brussels during the first high-level consultations on development cooperation between Belgium and the Philippines.

"The Belgian Government is currently conducting studies to ensure that the expansion efforts are integrated into Belgium's overall development cooperation thrust in the Philippines on agrarian reform," Mr. Torres said.

At present, Belgian-assisted projects in the country focus on land tenure improvement, productivity systems development, building and strengthening social infrastructure, and project administration. A BADC official recently visited the country to hasten the studies on integrating basic health and education into the BARSP-funded Philippine agrarian reform projects.

**Philippines: Undocumented Pakistani Students Said Terrorists**

*BK0202034096 Manila MANILA STANDARD in English 29 Jan 96 p 3*

[Report by Arnold Atadero]

**[FBIS Transcribed Text]** About 150 Pakistani nationals being sought by the immigration following the expiration of their student visas have been tagged by a suspected foreign terrorist as members of the Pakistan-based extremist group Muhajir Qaumi Movement (MQM). The MQM has also been identified to be in league with the terrorist Abu Sayyaf.

Ahmed Khan, 34, who was among 35 Middle Eastern nationals rounded up in a series of pre-Christmas 1995 antiterrorist operations launched by the police and the military in Metro Manila, named the now undocumented Pakistani students in his written affidavit given recently before immigration intelligence officials.

Khan, along with three other Pakistanis, was freed by the arresting officers after they failed to substantiate their charges he was a member of an international terrorist group believed to be operating in the country.

The written affidavit tagged some 150 Pakistani students as "active" members of the MQM which, Khan said, is an armed force fighting to topple the Pakistan Government.

The MQM members, composed of migrants from India involved in terrorist and other criminal activities like extortion, have reportedly linked up with the Abu Sayyaf to sow terror in the country through bombings, kidnappings or assassinations of prominent political figures.

Intelligence reports claimed that the MQM extremists are on a mission to propagate the Islamic faith in the country, which is predominantly Christian.

Immigration Commissioner Leandro Verceles said earlier that some 400 Pakistanis with student visas had disappeared upon the expiration of their stay some months back.

#### Underground

Khan's revelations tended to confirm the immigration's strong suspicions that its quarry may have gone underground and linked up with the Abu Sayyaf, whose hard-core members trained together with MQM cadres in Afghanistan several years back.

About 1,000 Pakistanis entered the country early last year to enroll in local schools, but a check showed that many of the students failed to enroll in violation of the conditions of their stay. They also have failed to report for the renewal of their visas at the Bureau of Immigration.

Verceles has asked the Philippine Embassy in Pakistan to be more cautious in approving applications for student visas of Pakistanis wanting to come to Manila.

Khan said in his affidavit that the 150 unaccounted for "students" could provide authorities vital information leading to the activities of MQM members who are in league with Abu Sayyaf.

#### Dismal performance

Hunting down the "missing" Pakistanis will be difficult in light of complaints against its intelligence agents' undesirable work attitude.

New Intelligence Chief Franklin Littaua quoted the commissioner as expressing his great disappointment over the "dismal" performance of his intelligence agents the past nine months.

"My intelligence division has been dormant since I assumed as commissioner in March 1995," Verceles was quoted by Littaua as saying during their meeting last week.

Littaua said he was instructed to introduce drastic reforms to streamline the intelligence operations specially in light of major development breaking out which are directly related to intelligence work.

Verceles cited the unserved 50 warrants of arrest which the United States has asked immigration to enforce. It was reported that none of the 50 warrants had been served, indicating the intelligence division's lack of interest and efficiency in its assigned tasks.

#### Philippines: Southern Command Says Abu Sayyaf Manpower Totals 700

*BK0202034196 Manila BUSINESS WORLD in English 30 Jan 96 p 11*

[Report by Sandra S. Aguinaldo and Esther C. Tanquintic]

[FBIS Transcribed Text] The Abu Sayyaf's manpower now totals some 700 following seven training exercises and massive recruitment activities conducted last year, the Southern Command [Southcom] yesterday said.

In his report to the Armed Forces of the Philippines chief of staff, Southcom Chief Lt. Gen. Ruperto Ambil said the Abu Sayyaf succeeded in its recruitment efforts despite military operations against it.

However, he said, the rise in the total number of extremists is not alarming, citing intelligence reports that the group is suffering from internal problems.

At the same time, he said the Moro National Liberation Front (MNLF) was monitored to have conducted 19 combat trainings in various parts of Mindanao.

Ibrahim Iribani of the MNLF secretariat admitted this but said the group's reorganization efforts did not include recruitment.

In a related development, Mr. Iribani criticized media for fostering the impression that all Muslims are terrorists.

"Just because we are Muslims does not mean that we are blood-hungry people," Mr. Iribani told reporters attending a seminar on the role of the media in the peace process held in Zamboanga City over the weekend.

Muslim nationals have been stereotyped as "extremists" and "terrorists" because of reports that most of the violent activities which transpired in the metropolis as well as in the countryside were of their doing.

"I believe that we don't fight just to kill people. We fight for a cause," Mr. Iribani stressed, adding that there are armed groups and "there are manufactured groups" that the national government also has to be wary about.

He cited the case of last year's bloody Oklahoma bombing in the United States, which was initially attributed to Muslim terrorists. In the aftermath of investigations, it was then found out that the person who planted the bomb was not "one of us but an American Christian," Mr. Iribani said.

Meanwhile, three former members of the Civilian Armed Forces Geographical Unit (CAFGU) have defected to the communist movement after the Armed

Forces of the Philippines (AFP) refused to give them separation benefits, reports reaching Camp Aguinaldo said.

The CAPGUs have joined the New People's Army (NPA) in Negros Occidental, the same group which took in retired Brig. Gen. Raymundo Jarque of the Philippine Army last year.

Reports said the militiamen were frustrated with the military's refusal to award them separation benefits after years of service. Their identities remained unknown.

Brig. Gen. Roberto Manlongat, deputy chief of staff for operations, confirmed the military has received reports of the defection but said the AFP was not alarmed.

The militiamen are believed to be members of a group led by a PC [Provincial Commander] Sgt. Bruno Dequina demanding P [pesos] 2.5 million in separation pay.

From 80,000 militiamen in 1993, the strength of the CAPGUs has gone down to 50,000, most of whom are concentrated in Mindanao. The AFP moved for the cuts because of the decreasing threat in internal security.

**Philippines: MILF Plans for Islamic State in Mindanao Denied**

*BK0202034996 Manila MANILA STANDARD in English 30 Jan 96 p 2*

[Report by Joe Macabalang; italicized passages published in Tagalog]

[FBIS Transcribed Text] Cotabato City — The Moro National Liberation Front (MNLF) backed yesterday its rival Moro Islamic Liberation Front (MILF) in denying reported plans to set up an Islamic state in the South.

"I was in Matanog (town in Maguindanao) four days ago and I have not observed any unusual MILF movements. It's very quiet in the area," MNLF Secretary General Muslimen Sema said.

Interviewed over the dxMS station here yesterday, Sema said he also held talks recently with key MILF leaders but "none of them mentioned declaring independence" in the borders of Lanao del Sur and Maguindanao.

*"That will be known...a declaration of independence cannot be concealed,"* Sema added. "The MILF has denied this so many times and they (denials) should allay fears among the residents."

The MILF has repeatedly denied having declared any independence in the towns of Malabang, Balabagan, and Kapatagan in Lanao del Sur and Matanog, Buldon, and Barira in Maguindanao where MILF flags have been sighted.

"Hoisting our (MILF) flags is but a normal course of action for a revolutionary group," MILF Spokesman Gadzali Gaafar said.

He dismissed as "mere intrigues" some published reports from the military about the MILF-declared independence in the six towns.

*"Those are only intrigues to destroy our image in public,"* Gaafar said. "If we were to declare independence, we would surely do it all over Mindanao and not only on five [figure as published] minute towns."

Gaafar also refuted an unsigned letter circulated locally stating the MILF Chairman Salamat Hashim will strip Al-Haj Murad of his function as the front's vice chair for military affairs.

The same letter alleged that Hashim's action was prompted by Murad's defiance in activating an independent state that would supposedly cover Malabang, Balabagan, and Kapatagan, all in Lanao del Sur; and in Maguindanao's Buldon, Barira, and Matanog towns.

The MILF holds its central headquarters in Bumbaran, which is a densely forested area bounded by the six towns.

Maguindanao Gov. Zacaria Candao, obviously peeved by the reports, said the "government remained in full control of all parts of Maguindanao Province."

*"I do not know where that report came from. Until now, we still control these towns,"* Candao said.

**Philippines: Grenade Blast at Mass Transit System Injures 20**

*BK0202055996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 1 Feb 96*

[FBIS Translated Text] Twenty people were wounded in a grenade blast that took place at the LRT [Light Rail Transit System] Grand Central station in Caloocan around 9 P.M. last night. Many of those wounded were rushed to the nearby MCU [expansion unknown] Hospital in Caloocan. Preliminary police reports indicate that an LRT passenger had accidentally dropped a fragmentation grenade. Meanwhile, Caloocan City Mayor Reynaldo Malonzo said that the bombing is politically motivated.

[Begin Malonzo recording] Definitely, this was planned. This was planned and with possible political motives and could also possibly be an act of terrorism. However, what is surprising in this incident is that another political leader, who is one of my men, was hit, badly hit. [end recording]

Meanwhile, the Caloocan police immediately dismissed allegations that the incident was the work of terrorists. They said signs pointing to terrorists as suspects of the bombing are missing.

[Begin unidentified police investigator recording in progress, in English] ...but we could not get the pin, so, the area has been cordoned off so we are trying to find out... [pause] it was not a terrorist activity because it does not fit into the mold, you know, a grenade falls and explodes. Besides, if it is a terrorist action there would have been a telephone call claiming responsibility etcetera, etcetera...[end recording]

Police investigation on the incident continues.

**Philippines: NEDA Reports GNP Grows 5.7 Percent in 1995**

*BK0202080096 Manila BUSINESS WORLD in English 2 Feb 96*

[Report by Rachel E. Khan and Wilfredo G. Reyes — received via Internet]

[FBIS Transcribed Text] Economic growth continued its climb in 1995 as year-end gross national product (GNP) grew by 5.7%.

While this is the highest growth rate the economy has achieved in the last decade, it fell short of the targeted 6%, despite earlier "fearless projections" of the National Economic and Development Authority [NEDA] that it would do so.

But, the full year GNP growth rate of 5.7%, adjusted for inflation, is still higher than the 5.3% achieved in 1994.

"The economy's strong positive growth during the year was reached despite the effects of the Mexican crisis, the Barings fiasco, the droughts, the series of supertyphoons and the rice problem in the second semester," NEDA Director-General Cielito Habito said in his report to President Ramos.

GNP is the total market value of all final goods and services produced by the country in a given period and is used by economists to measure economic growth.

The gross domestic product (GNP less net income from abroad) further accelerated to 4.8% in 1995 compared to the 4.4% in 1994. But the 1995 GNP growth was also bolstered by the inflows from abroad even as remittances from overseas Filipinos grew by 40.1% last year and contributed P(pesos)27.7 billion to the economy.

Figures obtained by BUSINESS WORLD showed the year-end GNP was not able to reach 6% because GDP

in the last quarter failed to make the projected 5.5% to 5.7% growth rate. Instead, fourth-quarter GDP grew by only 4.5%, lower than the 5.5% attained in the third quarter.

According to the NEDA report, the 1995 growth rate was largely due to the industrial sector, which registered a hefty 7.3% increase over the 5.8% attained in the previous year. "Strong domestic demand coupled with the impressive export performance during the year led to the sustained growth of industrial activities in 1995," noted Mr. Habito.

**Philippines Government Approves Operation of New Airline**

*BK0202095596 Manila MANILA STANDARD in English 30 Jan 96 p 11*

[Unattributed report]

[FBIS Transcribed Text] Subic Bay Freeport — Air Philippines Corp. will finally begin its operations here after it received from the Air Transportation Office (ATO) Friday (January 26), an "Air Carrier Operating Certificate," signifying its worthiness to transport domestic passengers.

The latest addition to the local airline industry, Air Philippines begins its operations this February using two Boeing 737s initially, to fly the Subic-Manila-Iloilo route.

The go signal to start operations was given by ATO Assistant Secretary Panfilo Villaruel who encouraged the firm to perform well and hinted that he might even recommend the company to President Ramos as the country's second flag carrier after PAL [Philippine Airlines].

The Subic-based airline's operations, scheduled as early as the last quarter of last year, was delayed due to the desire of the company to fully prepare its pilots, flight attendants, crew, and planes for safe and smooth operations here through rigid training under foreign instructors, company officials said.

**Philippines: APC Flies Maiden Flight to Subic on 30 Jan**

*BK0202082596 Manila BUSINESS WORLD in English 2 Feb 96*

[Report by Cecilia S. Aquino — received via Internet]

[FBIS Transcribed Text] Subic Bay Freeport Zone, Olongapo City — Air Philippines Corp. (APC), the newest domestic airline, made its maiden flight Tuesday [30 January] at the Subic Bay International Airport.

inaugurating its operations linking the free port zone to the rest of the country.

APC majority owner William Gatchalian said the airline is embarking on expanding its operation to the Asian region in six months. "We are planning to bring in more foreign tourists from Malaysia, Hong Kong, Taiwan and Japan directly to Subic Bay and put up one or two hotels in the free port," Mr. Gatchalian said. He said the firm is investing some P[pesos] 500 million for domestic and regional operations. APC officials and government officials led by Vice-President Joseph Estrada and Senate President Neptali Gonzales attended the inauguration. Mr. Estrada said the operation of APC will boost the transport sector especially since Philippine Airlines cannot service all islands nationwide.

The Subic-based airline firm was recently awarded an air carrier operating certificate for safety in air travel by the Air Transportation Office (ATO). ATO's guidelines include mechanically sound aircraft, flight attendants' efficiency and friendliness and pilots' expertise.

### Thailand

#### Sweden: Swedish Defense Minister Rejects Kockums Bribery Allegation

*BK0202082496 Bangkok BANGKOK POST in English 2 Feb 96 p 1*

[Unattributed report]

[FBIS Transcribed Text] The Kockums bribery allegations are without foundation, Swedish Defence Minister Thage Peterson told Gen Chawalit Yongchaiyut yesterday.

Defence Minister Chawalit said Mr Peterson briefed him on the investigation by Sweden's Military Equipment Inspectorate (KMI), which had rejected the allegations by peace activist Henrik Westander.

"KMI, which controls arms exports, is recognised by the Swedish government and its report can be considered official," said Gen Chawalit.

He said he had asked Mr Peterson to clarify the issue so that "our armed forces would know the facts".

Also at the talks at the Defence Ministry were permanent secretary Gen Phaibun Emphan, assistant army commander Gen Thawan Sawaengphan, assistant air force commander ACM Kriangkrai Sinthuwanon and Navy chief-of-staff Adm Winai Intharasombat.

Gen Chawalit said Mr Peterson told him arms exports were a sensitive subject in Sweden, where some people wanted sales reduced and the country to be neutral.

Kockums's chances of winning the 17-billion-baht order for two conventional submarines was a matter for the navy and the Cabinet to decide, he said.

Gen Phaibun said Mr Westander, a researcher with the Swedish Peace and Arbitration Society, had been discredited as he could not substantiate his allegations.

Mr Westander had alleged that Kockums had paid Chat Thai figures to enhance its chances of securing the order.

Kockums president Per Johnsson, who is in Bangkok, was optimistic his firm would win the order. The Kockums vessel had an advanced propulsion system while the German rival's was still on paper, he said, despite claims by the rival German Submarine Consortium that its system was best.

Since 1989, four submarines with the advanced system had gone into service with the Swedish Navy, he said.

Kockums also claimed it had the best system to allow for the rescue of crews, and Mr Peterson said the German Type 209 was not in service with the German Navy.

Kockums is partly government-owned and could guarantee cooperation from Stockholm while the GSC was private entity, he added.

#### Thailand: Chawalit Discusses Bribe Allegation With Swedish Minister

*BK0202044696 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Feb 96*

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and defense minister, received Swedish Defense Minister Thage Peterson today. He is on an official visit to Thailand as a guest of the Defense Ministry. Reporting on their meeting, Gen. Chawalit said they discussed the allegations regarding a bribe to buy submarines. He told his Swedish counterpart that the issue would not affect relations between their two countries. He inquired about the Swedish Government's official enquiry into the matter.

The Swedish visitor informed him that the KMI Company, a company involved in monitoring arms exports, had been assigned by the Swedish Government to conduct a thorough enquiry. The enquiry concluded clearly that the allegation by Westander was groundless. The Swedish defense minister could not explain the reason for Westander's allegation, merely noting that there has been considerable opposition in Sweden to an arms buildup. Westander is on the committee of a Swedish political party that has campaigned for Sweden to remain neutral on the arms question.

Asked if Kockum will be blacklisted as a future supplier of arms to Thailand, Gen. Chawalit said this issue depends on the Navy. No decision has been reached yet regarding which submarines Thailand wants because it wants the best available.

**Thailand: SLORC Urged To Take Action Against Tak Raiders**

*BK0202104696 Bangkok BANGKOK POST in English 2 Feb 96 p 3*

[Unattributed report]

[FBIS Transcribed Text] Tha Song Yang — Thailand yesterday demanded that Burma find those responsible for Tuesday night's attacks on Tak villages in which a number of people were killed and many others injured.

The demand was made in an aide memoir submitted to officials of the State Law and Order Restoration Council [SLORC] in Myawaddy by administrators of this border district.

The letter said the attacks, believed to have been carried out by members of the renegade Democratic Karen Buddhist Army [DKBA], would damage relations with and Burma. [sentence as published]

The letter was signed by Col. Satcha Yotphet, deputy commander of the Fourth Regiment's Special Task Force who is also acting chairman of the Local Thai-Burmese Border Committee.

"Thailand will deal with any similar attacks in the future by employing drastic measures including the use of military force as such incidents are considered to be encroachments into Thai territory and a threat to our sovereignty as well as that of Burma," the letter read.

Shortly before midnight on Tuesday DKBA troops attacked a border checkpoint and a temple in Mae Usu village with rocket-propelled grenades and machine gun fire killing a police officer.

The DKBA troops then robbed two nearby villagers before retreating to Burma.

Almost at the same time, another group of DKBA troops attacked a temple in another village in the district, killing a monk and a Karen layman.

The group then raided two villages in Tambon Mae Usu, seriously injuring one person.

A source said defences have been reinforced along the border in this province after a report that DKBA forces under the leadership of Maj. Maung Soe plan to cross the border and attack the Mae La Camp housing Karen refugees.

Meanwhile, over 100 families in three border villages in Tha Song Yang yesterday began packing up their belongings fearing possible attacks. They reportedly plan to stay with cousins or friends in Tha Song Yang District, which is further away from the border.

Assistant police chief Lt. Gen. Prasan Wongyai said yesterday that a special task force comprising 30 officers from the Tak provincial police station has been deployed at the Mae Usu village school in Tha Song Yang as a precaution against any further DKBA raids.

The Thai and Burmese governments must urgently settle the territorial dispute at Doi Lang mountain to avoid a confrontation between troops of the two countries, according to a senior police officer.

Police Assistant Director General Kowit Phakdiphum said in Chiang Mai that the presence of Thai and Burmese troops at Doi Lang had unnecessarily strained relations between the two countries.

Thai troops are camped about 500 metres away from their Burmese counterparts.

"I am worried that the soldiers of the two sides may run out of patience or become trigger-happy facing each other," said Pol [Police] Lt. Gen. Kowit, suggesting something be done urgently to prevent the confrontation from escalating into armed conflict.

Both Thailand and Burma claim sovereignty over a 32 square-kilometre area of Doi Lang.

The problem has never been settled because Rangoon did not have access to the disputed territory until early this year when drug warlord Khun Sa and his Mong Tai Army surrendered to the Burmese regime. Only then were Burmese government troops allowed to move into the area.

The territorial dispute exists because the two sides hold different maps.

Lt. Gen. Kowit also predicted an increase in the flow of narcotics into Thailand from the Golden Triangle after Khun Sa's surrender because the traffickers who had previously allied themselves with the Mong Tai Army have broken up and are now working independently.

During the last two months he said police in Chiang Mai and Chiang Rai Provinces have seized over five tons of chemicals used to produce heroin and amphetamines.

Amphetamines, he noted, have become more popular among traffickers because they are easier to produce and earn as much profit as heroin.

**Thailand: Three Checkpoints at Burmese Border To Reopen**

*BK0202091596 Bangkok Radio Thailand Network in English 0000 GMT 2 Feb 96*

[FBIS Transcribed Text] Thailand and Myanmar [Burma] have agreed to reopen three border checkpoints to facilitate goods transportation and travels by people of the two countries. The three border checkpoints are Mae Sai-Tachilek, Mae Sot-Myawadi, and Ranong-Kawthaung.

Director General of the Department of Economic Affairs, Ministry of Foreign Affairs, Kopsak Chutikun, said Myanmar demanded that Thai people passing through the three border checkpoints show their border passes and seek licenses for importing goods into Myanmar from the Myanmar Government. The two sides agreed to push for the drafting of a Thai-Myanmar cross-border trade agreement. Thailand will speed up the negotiations on the issue so that it can be concluded in the next two months for economic gains of both sides.

The director general said trade value between Thailand and Myanmar during the past year was sustained at the previous level despite several difficulties. However, he said Thai exporters had to pay more for goods transportation to Myanmar via third countries. As a result, Thai products have been expensive and Myanmar [Burmese] consumers have to pay more for Thai goods.

**Vietnam****SRV: Comprehensive Trade Agreement With U.S. Urged**

*BK0202034796 Hanoi Voice of Vietnam in English 1000 GMT 1 Feb 96*

[Station commentary]

[FBIS Transcribed Text] Analysts remarked that relations between the United States and Vietnam have quieted down several months after the normalization of relations. Radio Voice of Vietnam comments:

It is quite the opposite. Since the normalization of bilateral relations, there have been a number of activities under way between the two sides, which continue to attract worldwide interest.

It's still fresh in people's mind that the recent visit to Vietnam of the U.S. State Secretary Warren Christopher was listed among the world's top ten events in 1995. Most recently, the assistant to the U.S. Secretary of State in charge of Asia Pacific, Winston Lord, also visited Vietnam. Mr. Lord affirmed the priority concern of the United States in bilateral relations was economic relation.

Early this year, the representatives of Vietnam and the United States also met to discuss a number of broader issues than straight economic issues. The two sides exchanged views on the ways to promote trade relations, investment, and cooperation and the fight against drug smuggling and transportation, while expanding cooperation in education and training. The refugee question and also regional security economics were discussed.

Last year saw a great increase in U.S. investment and export in Vietnam; however, the figure of \$1,120 million-capital investment and 250 American representative offices in Vietnam is lower than expected. But to invest in Vietnam, American companies need the assurance of overseas supplied investment committee and Exim Bank. Other companies are considering suitable conditions in an appropriate time. They can only invest when their investment is insured by a trade agreement. Financial aid and fund can only come to Vietnam after the signing of the trade agreement between the two countries. It is, therefore, difficult to say that Vietnam-U.S. relations have slowed down with this as a background. Leaders of the two countries are working to speed things up as Mr. Winston Lord said. This [word indistinct] efforts from both sides and, first of all, they both need to collect information. Later, they need to solve all the concern issues and finally sit down to negotiate a comprehensive trade agreement.

The WEEKLY INTERNATIONAL AFFAIRS of the Vietnamese Foreign Ministry on 30 January disclosed that Deputy Prime Minister Phan Van Khai would visit the United States soon. It must be a follow-up step in the process to establish comprehensive cooperation between the two countries, creating grounds for business. People on both sides believe that strong trade relation between the United States and Vietnam would be achieved in not too distance future.

**SRV Deputy P.M. Receives PRC Railways Delegation**

*BK3101020996 Hanoi VNA in English 1503 GMT 30 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.30 — Deputy Prime Minister [P.M.] Tran Duc Luong received here today a delegation of the Chinese Ministry of Railways led by Deputy Minister Kualin.

The Chinese delegation were here to discuss with the Vietnamese Ministry of Communication and Transport on reopening Sino-Vietnamese railway links.

The Chinese deputy minister informed Deputy P.M. Luong of the result of his working session with the Vietnamese side on the reopening of the Sino-Vietnamese

railways which he described as an important issue, contributing to the two countries' promotion of the bilateral relations. He said he hoped that after the reopening of the railway links the cooperation between the two ministries will be further developed.

Deputy P.M. Luong expressed his satisfaction at the results of the working section between the two sides which had nearly completed preparations for the opening of traffic on railway links. He said that the opening of railway links before the upcoming lunar new year festival (which falls on Feb.19) will enhance the cooperation between the two countries. Mr. Luong said he believed said this event would conform to the desire of the people of the two countries as well as other countries in the region. He was pleased to see that the traffic will be reopened on both Pingxing-Dong Dang and Shanyao-Lao Cai railway lines. He expressed his hope that the railway service will be expanded to the transport of passengers and cargoes among the international community.

#### **SRV: PRC Firm Signs Contract for Upgrade of Highway 1A**

*BK0102082496 Hanoi VNA in English  
0658 GMT 1 Feb 96*

[FBIS Transcribed Text] Hanoi VNA Feb.1 — The fifth contract to upgrade and expand a section of the Trans-Vietnam Highway 1A was signed here on Jan.30.

The 100 kilometre section that links Hanoi and Doc Xay on the border between Ninh Binh and Thanh Hoa was awarded to China Overseas Eng. Corp. (Covec) from China.

Representatives from the World Bank, the Vietnamese Government Office, the Ministry of Transport, and other relevant agencies were present at the signing ceremony held by the Project Management Unit 1 (PMU 1).

Under the contract, the contractor will raise the Hanoi-Doc Xay section's road bed and expand its width from 10 to 12 metres to make it a four-lane road that can take vehicles of up to 25 tonnes.

#### **SRV: Russian Communist Party Delegation Visits Hanoi**

*BK0202111396 Hanoi VNA in English  
0608 GMT 2 Feb 96*

[FBIS Transcribed Text] Hanoi VNA Feb. 1—A high-ranking delegation from the Communist Party of Russia headed by Sabanov A.A., vice president of Party Central Committee of Russia, arrived here today for an official visit at the invitation of the Communist Party of the Vietnam Central Committee (CPVCC).

The Russian guests held talks in the afternoon the same day with Mr. Nguyen Duc Binh, Politburo member and secretary of the CPVCC.

During the talks, Mr. Binh highly valued the outcome recorded by the Communist Party of Russia in the recent run to the Duma (lower house). He spoke of the achievements and experiences attained by the Vietnamese people in the past 10 renovation years, the situation of national socio-economic development, preparations for the upcoming 8th Party Congress, and socio-economic development targets in the 96-2000 period. Mr. Binh reiterated Vietnam's foreign policy of independence, self-confidence, diversification and multilateralisation and stressed that the Vietnamese party and Government attached importance to the restoration and development of the friendship and cooperation with time-honoured friendly countries like Russia.

Mr. Sabanov insisted on enhancing the friendly relations with the Communist Party of Vietnam. He also informed his host of the results of the election to the Duma and the present situation of the Russia Federation.

The two sides discussed measures to promote the relations between the two parties of which would further the friendly and cooperative ties between Vietnam and Russia for the benefit of the two peoples and for peace, stability, cooperation and development in the world at large as a whole.

#### **SRV Spokesman Denies 'Tension' on Cambodian Border**

*BK3101021096 Hanoi VNA in English  
1503 GMT 30 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.30 — 'There is not any tension along the Vietnam-Cambodia border and the news that the Vietnamese side arrested Cambodian policemen in Svay Rieng Province is absolutely groundless.' Foreign Ministry's spokesperson said here today.

The statement was made in response to a question by foreign mass media workers on a news report carried by the Cambodian news agency on Jan.25 saying that Vietnam had arrested 15 Cambodian policemen in Svay Rieng.

The spokesperson also stressed that Vietnam's persistent policy on the Vietnam-Cambodia border issue was clearly stated in the Jan.19 statement by the ministry's spokesperson.

**SRV Radio Views 'Rumor' of Border Dispute With Cambodia**

**BK3101140196 Hanoi Voice of Vietnam in English  
1000 GMT 31 Jan 96**

[Station commentary]

[FBIS Transcribed Text] The spokesman for the Vietnamese Foreign Ministry on Tuesday refuted a rumor that Vietnam had arrested 15 Cambodian policemen in Cambodia's Svay Rieng Province. What is the truth? Here is our radio's comment.

Cambodian Copremier Norodom Ranariddh said in Phnom Penh on 17 January that Vietnam had encroached upon Cambodian territory, but the Vietnamese foreign ministry has denied this. In a statement on 19 January the Vietnamese foreign ministry re-emphasized Vietnam's unchanged policy, that was to respect the sovereignty and territorial integrity of another country, and try for the peaceful and friendship borders with all neighboring countries including Cambodia.

In this spirit, Vietnamese leaders agreed with Cambodian leaders that all border and territorial issues should be solved with peaceful negotiations. To implement this agreement, both sides agreed to a formula where all the problems must be solved by local authorities. If necessary, the issues could be handed over to the border working groups of the two countries for consideration and settlement.

It is regrettable that this formula had not been applied in this case. Vietnam once again affirms its position, and hopes that the formula agreed at high level will be used to solve all disputes for peace, friendship, stability, and cooperation between Vietnam and Cambodia.

After receiving the Indian foreign minister in Phnom Penh recently, Cambodian Foreign Minister Ing Huot told reporters that Cambodia together with Vietnam would solve the border issue through negotiation at high level. Mr. Ing Huot said there will not be a major problem and it could be solved under the spirit of the joint statement issued by the two premiers of the two countries in Hanoi on 17 January last year. To solve this current issue, Cambodia said it would work with high level authority of Vietnam including the Vietnamese ambassador to Cambodia and the Vietnamese foreign minister.

**SRV Foreign Ministry Denies Occupation of Cambodian Villages**

**BK0102153696 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 1 Feb 96**

[FBIS Translated Text] The SRV Foreign Ministry held a regular international news conference in Hanoi today.

1 February. Attending the function were a large group of domestic and foreign reporters. Many asked questions related to Vietnam's relations with foreign countries.

Answering an Australian BBC reporter's question on the convening of a conference of the Vietnam-Cambodia Joint Committee on Border Issues, our Foreign Affairs Ministry's spokesperson said: Regarding the Vietnam-Cambodia border issue, the SRV Foreign Ministry's 19 January statement and its recent statements have clearly stated that Vietnam respects the national independence, sovereignty, and territorial integrity of all nations. It wishes to build a long-lasting, peaceful, and friendly border with all neighboring countries, including Cambodia. Vietnam has unwaveringly respected the agreement reached by high-level Vietnamese and Cambodian leaders that all issues concerning the border and territory between the two nations should be resolved through peaceful negotiations at both the local and central levels.

Acting in accordance with this principle and stemming from the goodwill to maintain and develop relations of friendship and cooperation with the Kingdom of Cambodia, Vietnam has proposed that the provinces concerned in the two countries promptly contact each other and that the Vietnam-Cambodia border working group hold an urgent meeting to resolve this issue. A meeting was held today between representatives of Tay Ninh Province and a delegation from the Cambodian side.

At the news conference, the SRV Foreign Ministry's spokesperson rejected a news report that Vietnam has occupied six villages in Cambodia.

**SRV Party External Relation Commission Visits Laos**

**BK0202045896 Hanoi Voice of Vietnam in English  
1000 GMT 31 Jan 96**

[FBIS Transcribed Text] Vietnam and Laos have reviewed and set future orientations for their bilateral cooperation program. This follows the visit to Laos by a delegation from the External Relation Commission of the Vietnam Communist Party Central Committee led by its Deputy Head Nguyen Van Son. Both Vietnam and Laos expressed the great value of the development of the multifaceted relationship between the two countries in recent years.

**SRV: Another 200 Boat People Repatriated From Hong Kong**

**BK0202045496 Hanoi Voice of Vietnam in English 1000 GMT 30 Jan 96**

[FBIS Transcribed Text] More than 200 Vietnamese boat people have voluntarily repatriated from Hong Kong. This brings the total of voluntary returnees from Hong Kong in January to 450 people.

**SRV: Greek Communist Delegation Concludes Visit**

**BK3101020896 Hanoi VNA in English 1516 GMT 30 Jan 96**

[FBIS Transcribed Text] Hanoi VNA Jan.30 — A delegation of the Communist Party of Greece (KKE) led by Harilaos Florakis, honorary president of the KKE, has concluded a six-day official friendship visit to Vietnam.

While here, the delegation paid a floral tribute to President Ho Chi Minh at his mausoleum, and visited his home. .

Mr. Florakis held talks with a delegation of the Communist Party of Vietnam (CPV) led by General Secretary Do Muoi, and had working sessions with Dao Duy Tung, Politburo member and permanent secretary of the CPV Central Committee.

Speaking at these events, the guests expressed their pleasure at visiting Vietnam and spoke highly of the achievements recorded by the Vietnamese people in their renovation process under the clear-sighted leadership of the Communist Party of Vietnam. They also expressed the Greek Communists and working people's solidarity and support to the revolutionary cause of the Communist Party of Vietnam and people.

General Secretary Do Muoi expressed thanks to the Greek Communists and people for their fine sentiments to the Vietnamese people's struggle against the United States for national liberation in the past as well as the national construction and defence at present. General Secretary Do Muoi affirmed the friendship of CPV to the Communist Party of Greece. The Vietnamese party leader exchanged views with the Greek guests on international and regional situation, and informed them of the preparation for the coming CPV's 8th congress and measures to conduct national industrialisation and modernisation and poverty alleviation in Vietnam. He confirmed the CPV's persistence with Marxism-Leninism and Ho Chi Minh thoughts, and reiterated its unchanged friendship with other Communist and workers parties the world over .

While in Hanoi and Ho Chi Minh the guests were received by Pham The Duyet, Politburo member and

secretary of Hanoi party committee and Vo Tran Chi, Politburo member and secretary of Ho Chi Minh City party committee. They visited a number of economic and cultural establishments in the two cities.

Also in Hanoi, the KKE delegation had a working session with the Vietnam Union of Friendship Organizations.

**SRV Minister Reviews 1995 Diplomatic Results**

**BK3101133096 Hanoi NHAN DAN in Vietnamese 1 Jan 96 pp 1, 4**

[Interview with Foreign Minister Nguyen Manh Cam by Duy Thinh and Le Nghiem; place and date not given]

[FBIS Translated Text] [NHAN DAN] Mr. Minister, could you elaborate on the main international events in 1995?

[Nguyen Manh Cam] Yes, there were some noteworthy international events in 1995.

First, the world's economic growth rate continued to rise at the expected 3.7 percent, a slight increase over 3.6 percent last year. The economic situation in developed capitalist countries improved at different levels. The U.S. economic growth rate was 2.9 percent, while Japan recorded only 0.5 percent. The Southeast Asian and Asia-Pacific regions still maintained their high and stable average economic growth rate of 6-7 percent.

Second, the trend of regional integration developed vigorously in parallel with that of globalism. We have witnessed the emergence of many new regional economic organizations, which now number more than 20. Among them is ASEAN, the most successful regional organization. It is noteworthy that regional integration does not oppose but helps to accelerate the trend of globalism. While witnessing rapid regional integration, we also observed cooperation between continents: between Asia and America through the Asia-Pacific Economic Cooperation Organization [APEC]; between Europe and the United States through the recently concluded Madrid Treaty; between Europe, the Middle East, and North Africa; and between Asia and Europe, with the heads of governments conference to be convened in Bangkok in early March 1996.

The globalism trend has been enhanced, thanks to rapid developments in the scientific-technological revolution, especially developments in communications technology, thereby accelerating the developments in the production sector and the economy. Various countries have integrated their efforts in developing their national economies.

Third, conflicts of interest and economic and trade conflicts arose sharply between big countries and between world leading economic centers, sometimes to the extent of triggering a war. This was eased, however, by the trend of peace and stability, and the parties concerned eventually achieved resolutions to resolve their problems.

Fourth, more developed capitalist countries experienced instability in the politico-social situation, stemming from unresolved social issues, the people's unimproved daily lives, and reductions in social welfare, which worsened the unemployment problem and widened the gap between the rich and the poor. Moreover, terrorism, violence, and hostility were on the increase.

Fifth, various regional prolonged conflicts were peacefully settled, such as the Middle East and Bosnian issues. This development indicates that the trend toward peace is becoming increasingly strong.

Sixth, more left-wing factions in many states of the former Soviet Union and East European countries won in various elections. This change indicates that the voters were tired of and indignant about the so-called "democratic" force that caused a deterioration in the economy and the people's daily lives. We should spend time studying and understand the policies of these communist and left-wing parties in order to accurately assess this issue.

Seventh, generally speaking, the Asia-Pacific region in general, and Southeast Asia in particular, have maintained a high and relatively stable economic growth rate. All big countries and major politico-economic centers have turned their attention toward this region. To date, this region has all three factors necessary for development—namely, the market, capital, and technology. With these changes, we may say that this region will become the most dynamic development center of the world in the next century.

[NHAN DAN] Mr. Minister, could you elaborate on the key achievements in Vietnam's diplomatic activities in 1995?

[Nguyen Manh Cam] Our diplomatic activities in 1995 were lively and consistent. Our party and top state leaders visited many countries in the Asia-Pacific, Middle East, Africa, Western and Northern Europe, and the United States.

More and more friends have come to us and have considered us a reliable partner with great potential, a partner that has recorded resounding achievements in the renovation undertaking. In 1995, we welcomed: 10 chiefs of states; 10 prime ministers; four National Assembly chairmen; many delegations led by state vice

presidents, deputy prime ministers, and National Assembly deputy chairmen; and dozens of ministerial level delegations. Speaking of achievements in 1995 diplomatic activities, we should recall the three outstanding and remarkable events in July—namely, Vietnam becoming an official member of ASEAN, the signing of a framework cooperation agreement between Vietnam and the European Union, and the normalization of relations between Vietnam and the United States. With these developments, we now have diplomatic relations with 160 countries, including all major countries and world leading economic centers.

With the rapidly increased "domestic" strength derived from significant achievements in our renovation undertaking and with our efforts in the foreign affairs domain last year, Vietnam's position in the international arena was obviously enhanced. World sentiment toward and confidence in our nation have strengthened increasingly. These conditions have provided us with a favorable environment and new international conditions favorable to our cause of national building and defense.

[NHAN DAN] Comrade Minister, could you outline what we should do next year to bring into full play the aforementioned achievements?

[Nguyen Manh Cam] It can be said that Vietnam's relations with the world community have basically "covered" a vast area; now we have to develop them in depth. We must accelerate the implementation of commitments and cooperation agreements reached with other countries to bring about concrete results for our national industrialization and modernization. Moreover, with our enhanced position and prestige in the international arena, we should positively contribute to resolving pressing global issues, actively participate in multilateral forums—especially in ASEAN activities—implement regional and international integration, and appropriately contribute to consolidating the trend of peace and cooperation for regional and world development.

To meet these requirements, the most decisive task is to urgently train and foster our diplomatic contingent to make them sharp and competent in their profession. They should have a good background in the economic and scientific-technological areas, be able to keep themselves abreast of the swift and profound changes in the world situation, have a good command of foreign languages, and be able to maintain professional quality with a firm political background.

[NHAN DAN] Thank you very much Mr. Minister.

**SRV Deputy Prime Minister Meets With ADB Delegation**

*BK0202111496 Hanoi VNA in English  
0631 GMT 2 Feb 96*

[FBIS Transcribed Text] Hanoi VNA Feb. 2—Deputy Prime Minister Phan Van Khai received a delegation of the Asian Development Bank (ADB) headed by Mr Lihan Amerasinghe here yesterday.

The ADB delegation is here to prepare for ADB's 1996 and 1997- 1999 financial assistance programmes for Vietnam.

Mr. Lihan Amerasinghe informed Deputy Prime Minister Khai of the ADB's cooperative and supportive relations with Vietnam. These relations have seen a rapid development over the past years with nine credit agreements totalling USD 634 million he said. Over the last three years, ADB granted Vietnam non-refundable aid worth about USD ten million for each year to conduct technical support projects.

In 1995 alone, ADB provided capital worth more than USD 11.7 million for Vietnam in 15 technical support projects. In the coming years, ADB will focus its assistance in five main areas including policy reform, infrastructural development, rural development, development and management of human resources with an estimated credit fund worth more than USD 1.5 billion. For 1996 alone, the ADB has pledged to grant loans worth USD 310 million and USD 9 million in technical support to Vietnam.

Speaking to his guests, the deputy PM expressed his thanks for ADB's assistance to Vietnam and affirmed that it played an important role in the socio-economic development of Vietnam.

"Vietnam will continue to renew the mechanism of receiving, managing and distributing funding sources with a view to effectively implementing the signed projects" the deputy prime minister said.

**SRV Issues Decree Penalizing Trade Violations**

*BK0102104196 Hanoi NHAN DAN in Vietnamese  
7 Jan 96 pp 1, 4*

[Unattributed report]

[FBIS Translated Text] On 3 January 1996, the government issued Decree No. 01/CP on administrative penalties for trade violations. The decree consists of four chapters and 33 articles and defines the administrative penalties for trade violations, the forms of violations, the penalty rates, the authority to impose punitive measures, fining procedures, and implementation measures.

The decree points out: Administrative violations in the trade sector are transgressions of state management regulations on trade and trade-related services that do not reach the level of criminal liability. The authority to impose administrative measures against trade violations is defined under the Law on Actions Against Administrative Violations. The handling of cases must be carried out in a quick and fair manner. All consequences arising from administrative violations must be dealt with as stipulated by the law. Each administrative violation must be dealt with once only. If many administrative violations are committed by a single person, each violation will be dealt with separately. If a violation is committed by more than one person, all violators involved will be subjected to punitive measures. (Administrative measures will not be taken against violators with mental problems or ailments that deprive the perpetrators of the ability to be in control of their actions)

The decree defines the forms of violations and rates of penalty, which range from warnings to fines of 100,000 dong up to 100 million dong for each violation.

The decree allows village, ward, and township people's committees to issue warnings or impose fines up to 200,000 dong, seize goods or material evidence and request compensation up to 500,000 dong. Besides issuing warnings, precinct or district, township, and city people's committees may also impose fines up to 10 million dong and seize goods, material evidence, and means valued up to 100 million dong. City and provincial people's committees may impose fines up to 100 million dong. Furthermore, state market management agencies may impose fines up to 200,000 dong or seize goods, material evidence, or means valued up to 100 million dong.

The decree also allows public security and customs services, border defense units, and other special state agencies to impose administrative penalties for trade violations as defined under Articles 29 and 30 of the Law on Actions Against Administrative Violations.

**SRV Institute Studies Country's Military Doctrine**

*BK3101020796 Hanoi VNA in English  
1451 GMT 30 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.30 — A research project on Vietnam's military doctrine has confirmed that Vietnam's military doctrine arises from the application of the comprehensive strength of the whole country and the regime into struggle and originates from the preservation of national values and the right to national independence.

The results of the research project which was conducted by the Institute of Military Strategy under the Defence Ministry were made public at a symposium recently.

The project was divided into three parts on the identification the doctrine, the formation and development of the doctrine, and the particulars and approaches of the doctrine.

Researchers centered on Vietnamese military art and ideology from the past and the present, theory and practice, and the directions of armed struggles and activities that created Vietnam's combined strength in the defence of national independence and sovereignty.

Commenting on the project, General Vo Nguyen Giap, General Chu Huy Man and other senior officers confirmed that the research into the methods used to safeguard the country through traditional, material and intellectual, national strength is extremely important for future generations in the cause of national defence.

**SRV Planning Minister on 1996 Tasks, Other Issues**

**BK3101031696 Hanoi THOI BAO KINH TE VIETNAM in Vietnamese 4-10 Jan 96 p 3**

[Interview with Do Quoc Sam, SRV minister of planning and investment, by an unidentified correspondent; place, date not given]

[FBIS Translated Text] [THOI BAO KINH TE VIETNAM] Vietnam has had several five-year plans, but in none have the basic goals been fulfilled. Yet in the 1991-95 five-year plan, we not only fulfilled but exceeded the major targets for the national economy. What are your comments on this?

[Do Quoc Sam] The previous five-year plans were not fulfilled for many reasons, both objective and subjective — war, lack of flexibility in the economic management mechanism in the face of rapidly changing economic realities, subjectivity, and so forth. I am sure that if we did not have the renovation policy, did not adjust the economic mechanism, and did not change the management structure, we would never have achieved the results we have today.

[THOI BAO KINH TE VIETNAM] Can you provide more concrete details?

[Do Quoc Sam] Under the old economic structure, there was only one investor — the state. Under the new economic structure, we have a policy of developing a multisectorial merchandise economy following the socialist path. Thanks to this correct policy, in the past five years we have mobilized about \$18 billion of investment for development. Of this, the state share is 43 percent (including direct investment through the

budget, state investment credits, and investment by state enterprises), investment by the people takes up about 30 percent, and foreign direct investment (FDI) is about 27 percent.

[THOI BAO KINH TE VIETNAM] Dear Minister, what are the special features of the 1996 plan?

[Do Quoc Sam] The year 1996 is the opening of a new period of development in industrialization and modernization. We want to develop our economy at a higher growth rate, but economic growth should be harmonious with social development, balanced development between regions, the implementation of a campaign to eliminate hunger and reduce poverty, and the socioeconomic development of mountain regions.

The year 1996 also inherits the outcome of past renovation efforts. The physical and technological infrastructure has made progress, and production capacity in core industries such as electrical power, cement, oil and gas, steel, and so forth has increased significantly. The economic mechanism has started to change in the direction of increasing the proportion of industry and services and reducing the proportion of agriculture, although agricultural output has still increased at an average rate of 4.5 percent in the past five years. The livelihood of the people is gradually gaining stability, and in various aspects shows clear improvement. This in turn motivates further development. In international relations, Vietnam has established cooperative relations at different levels with most countries, economic centers, and international financial and economic organizations. These relations create opportunities to develop comparative advantages for attracting more foreign investment and expanding our import-export market.

The year 1996, however, also holds many vigorous difficulties. We are starting at a very low point in the race for competitiveness in the world market. Vietnam's per capita GDP is among the lowest in the world according to the estimation of international financial organizations. We are facing both short- and long-term difficulties. In 1996, we must also solve the remaining problems left over from the previous year. Among these are issues of the state budget, investment for capital construction, inflation, smuggling, corruption, and other urgent social issues.

[THOI BAO KINH TE VIETNAM] Among these "remaining problems," which is the most "burning"?

[Do Quoc Sam] The most burning problems are those related to balancing the state budget. Because revenue collection has not reached the planned target, expenditures have been affected. This is especially so in capital construction, where large payments must be transferred

to later years, thus causing grave difficulties for the establishments concerned. Credit capital from the state is also very limited, thus hindering investment, modernization of technologies, and expansion of production activity. A prolonged budget deficit without reasonable sources of supplement will directly effect the ability to control inflation.

[THOI BAO KINH TE VIETNAM] Dear Minister, is it possible to handle the problem by borrowing more from home and abroad?

[Do Quoc Sam] The experience of other countries shows that an acceptable budget deficit is about 3-4 percent with a maximum of 5 percent. In Vietnam we have a rate of about 3 percent. Besides, it would be hard to borrow more. We can only get short-term loans with very high interest rates from domestic sources, and borrowing more from outside would lead to a greater debt burden in the future. Anyway, our ability to absorb loans is limited.

So what is the solution, Dear Minister?

[Do Quoc Sam] The fundamental solution to this situation, I think, is heightening the efficiency and quality of the economy as a whole. First, the efficiency and quality of the state-managed economic sector — which is playing an important and widespread role — needs to be enhanced. There are at least two things to be done. First, enhance the business efficiency and competitiveness of state businesses by improving business management and modernizing technologies. Second, continue the reorganization of businesses; separate enterprises that serve the public interest from those doing business for profit; form a number of large businesses, not for the purpose of increasing monopoly but for the improvement of competitiveness; and implement the policy to transform to shareholding companies those establishments where the maintenance of 100-percent state-owned capital is not necessary. This will improve the economic efficiency of businesses and help mobilize more capital for the expansion of production capacity. On the other hand, it is necessary to encourage and mobilize the potential of all economic sectors in the development of investment in accordance with the state plan. It is also necessary to clear away all confusion in terms of viewpoint, mechanism, policy, and administrative procedures. At the same time, we must strengthen inspection and control work and develop joint ventures and cooperation between the state and private economic sectors to create greater strength for the economy, especially strength of our side in economic joint ventures with foreign partners.

[THOI BAO KINH TE VIETNAM] The year 1995 was a "bumper harvest" year for foreign investment

in Vietnam. There have been some projections from outside that in the period to come the situation will not be as good. What is your opinion on this issue? What do you think Vietnam should do to attract more foreign investment?

[Do Quoc Sam] Vietnam has favorable conditions for foreign investors — political stability, an abundant labor force with a relatively good education level, rich natural resources, open policies, and a new market. These conditions explain the fact that in a relatively short period of time, we have attracted over \$17 billion in registered FDI and over \$6 billion in pledged ODA [official development assistance]. I understand, however, that foreign investors are facing many big obstacles — a primitive infrastructure, the imperfect legal environment, officialdom, smuggling, and corruption. Among these obstacles, there are some that require a longer time to rectify than others, such as the improvement of the infrastructure, but there are other obstacles we need to and can rectify soon, such as the evil practices of officialdom, smuggling, and corruption. The government considers the administrative reform program a major task in the years to come. With an ever-improving investment environment, I think Vietnam will continue to be an attractive address for foreign investors. We always welcome and create favorable conditions for foreign investors to come to Vietnam to do business in line with Vietnamese law.

[THOI BAO KINH TE VIETNAM] Thank you, Minister. On the occasion of the new year of 1996, we wish you good health. We hope you will lead the Ministry of Planning and Investment to implement successfully all the tasks for 1996 and for the new development stage of the country.

[Do Quoc Sam] For my part I wish THOI BAO KINH TE VIETNAM even greater success in disseminating information on the decisions and activities of the Ministry of Planning and Investment to people and investors inside and outside the country. I hope you become a forum for people to submit suggestions and supervise the activities of the ministry. I also wish the readers of THOI BAO KINH TE VIETNAM a successful year in business and work with good health and happiness.

**SRV: Party Organization in Nonstate Businesses Discussed**

**BK3101161596 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Jan 96 p 1**

[Report by T.A.]

[FBIS Translated Text] The Party Central Committee's Organization Department [PCCOD] held a meeting at

the 11th Precinct on 6 January with representatives of non-state businesses in the city to discuss the establishment of party organizations at the grassroots level in the non-state business sector.

Chairing the meeting were the following comrades: Le Huy Ngo, Party Central Committee member and first deputy director of the PCCOD; Le Quang Thuong, deputy director of the PCCOD; and Pham Van Hung, member of party committee and head of the organization section of the Ho Chi Minh City's party committee. Also attending the meeting were representatives from: the Party Central Committee's Economics Department; the organization section of the city people's committee; the party committee of the 11th Precinct; the city industry office; the city trade union federation; 18 non-state businesses in the city; and some businesses in Dong Nai and Song Be Provinces.

At the conference, Comrade Le Quang Thuong explained the directive of the Party Central Committee's Secretariat on the consolidation of party organization and mass mobilization work in cooperative and joint ventures with foreigners.

Also at the meeting, business representatives also expressed their agreement with and support for the party policy on the establishment of party organizations at the grassroots level in the non-state business sector. The business representatives also contributed many concrete suggestions for the party organizations to carry out successfully all the duties and tasks as directed by the Party Central Committee's Secretariat, as well as to contribute to the development of the businesses.

#### SRV: Renovation, Development of Cooperatives Discussed

*BK0202044996 Hanoi VNA in English  
1233 GMT 1 Feb 96*

[FBIS Transcribed Text] Hanoi VNA Feb.1 — The secretariat of the Communist Party of Vietnam Central Committee held a conference here from Jan.29-31 to hear reports on models of organising effective cooperatives.

Many cooperatives are organised along various models across the country and operating fruitfully, which together with the state-owned economic sector have gradually become the platform of the multi-sector socialist-oriented economy.

Party General Secretary Do Muoi, State President Le Duc Anh, other party and state officials, and representatives of relevant branches and organisations attended the conference, which was presided over by Nguyen Ha

Phan, Politburo member, secretary and head of the Economic Commission of the party Central Committee.

The conference heard reports from 25 cooperatives, including 10 agricultural co-ops, four handicraft co-ops, four trade co-ops, two fishing co-ops, and two credit co-ops. These cooperatives have been running their businesses effectively thanks to their simple and active managerial systems which are capable of mobilising capital from people to boost production. They have also gained increasing profit, contributed good sum to the state budget and gained the confidence of their members.

Addressing the conference, party General Secretary Muoi hailed the cooperatives for persistantly pursuing the party's guidlines, stepping up the development of the collective economic sector in various forms suitable to the current circumstances.

In the current renovation process, the party leader continued, despite many difficulties, cooperatives have upheld their role of boosting socio-economic development. Due attention must therefore be attached to renovating and strengthening the cooperatives.

He stressed that party committees, authorities and mass organizations at all levels must also be aware of the importance of the reformation and development of cooperatives in the process of industrialisation and modernisation with a view to obtaining the targets of a wealthy people, a strong country, and a fair and civilized society.

Speaking at the event, Mr. Nguyen Ha Phan held that each model for cooperatives has its own characteristics, but their fruitful operation has proved the correctness of the party's policy to develop the cooperative economy and cooperatives in a multi-sector socialist-oriented economy.

He said that over the past years, the development of cooperatives is really a pressing demand for the country, it will also be a more pressing task in the coming period for the country to enter into the process of industrialisation and modernisation, particularly the industrialisation and modernisation of agriculture and rural areas.

Mr. Phan also pointed at problems which the cooperatives must solve immediately to step up the renovation of the cooperative economy and cooperatives in terms of both scale and depth.

Representatives of the 25 cooperatives at the conference proposed that the state should issue a law on cooperatives and for regulations to create a legal environment for the cooperative economy and cooperatives develop as soon as possible. They also urged the promulgation of

Tasks

*BK0202035196 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 12 Jan 96 pp 1, 4*

[Report by Bui Dinh Nguyen]

[FBIS Translated Text] The party Central Committee Ideology and Culture Department (PCCICD) on 11 January held a conference to review the results in collecting information and data on social opinions in 1995. Attending the conference were representatives of ministries, branches, sectors, the Vietnam Fatherland Front, and collaborators at the central level and in Hanoi. Comrade Ha Dang, member of the party Central Committee and head of the department and his deputy, professor Ha Hoc Hoi, chaired the conference. The conference discussed the report on the results of the collection, research, and presentation of social opinions to party leaders in 1995.

Comrade Ha Dang stressed that one of the most important tasks of the PCCICD is to consistently and actively monitor social opinions using various channels and facilities to promptly collect, analyze, and present them to the party Central Committee Political Bureau, the Secretariat, and the party Central Committee. These leading party bodies will study and analyze these social opinions for use in their supervisory tasks so as to ensure political stability to serve socioeconomic and national development programs under the renovation line.

The conference noted that it is necessary for the PCCICD to set up an organization to specifically

its cadres and personnel to enhance their professional capabilities and provide essential information to and create a legal basis for party lecturers to satisfactorily carry out tasks for the PCCICD and their agencies.

**SRV: Article Warns Against Opportunism, Rightism**

*BK3101145096 Hanoi TAP CHI QUOC PHONG  
TOAN DAN in Vietnamese Jan 96 pp 7-9*

[Article by Senior Lieutenant General Nguyen Nam Khanh: "Struggle Against Opportunism and Rightism - an Important Part of Party- Building Work at Present"]

[FBIS Translated Text] Along with the feverish attempts of reactionary, hostile forces to oppose our country, opportunistic and rightist elements are trying hard to change our party's political line, organization, and structure to turn it into a social democratic party, which by nature is the product of the bourgeois system. As a result, we must adopt positive measures to smash the hostile forces' dark schemes against our country and must devote efforts to checking the adverse impact of opportunism and rightism to guarantee the conditions for the cause of national renovation to meet the legitimate aspirations of the laboring people and the nation as a whole.

In the past, opportunism and rightism only made their presence felt in certain issues or aspects of life. Now, they are being developed into a system of ideological concepts and propagated to many areas by means of printed materials. They share many things in common with the traitorous clique's rhetoric and with the dark

schemes hatched against our country by the U.S. imperialists and hostile forces.

The main points of those concepts are as follows:

— Negation of the inherent contradictions of the times; elimination of the boundaries between socialism and capitalism, between imperialism and the oppressed peoples, and between exploiters and the exploited.

— A vague understanding of "democracy and pluralism," emphasis on the need for a law-governed state to distance itself from the class viewpoint, appreciation of a "multiparty democratic regime," and a "Western-style system of democratic freedoms"...

— Negation of the working class nature of the party and of the principle of democratic centralism and overall party leadership through a system of party organizations from the central down to grass-roots levels. In particular, negation of the party's absolute, centralized, uniform, and overall leadership over the Army, the armed forces, and the task of consolidating national defense and security arrangements.

— Abuse and trimming of the party's concepts on ways of making the people rich and the nation powerful and of bringing about justice and civilization in society. They raise the issue of finding ways to make the people rich and the nation powerful and maintain that it doesn't matter which doctrine is followed. In reality, they negate the socialist path, particularly when it comes to economic development. They want the socialist economic system to gradually shift its facilities and groundwork to the market-oriented capitalist economic system. They maintain that it is incorrect to give the state economy a key role and that the capitalist private economy must be allowed to expand without restrictions in scale and must be free to go beyond off-limit areas...

The danger of opportunism and rightism lies in the very fact that they do not distinguish between friend and foe, leading to a situation in which people fail to grasp the two strategic tasks; whereas the U.S. imperialists and hostile forces are trying by all means to carry out their "peaceful evolution" scheme aimed at using subversion to undermine the revolution in our country, as U.S. President Bill Clinton plainly stated when he announced the normalization of U.S.-Vietnam relations.

At present, hostile forces closely monitor and assess the situation and resort to both open and secret means to take advantage of and encourage the activities of opportunistic and rightist elements. They conduct psychological propaganda, sow disunity among our internal organizations, set up grass-roots establishments, and coordinate the operations of reactionary forces at home and abroad to oppose us.

The realities of the Vietnamese revolution over the past 65 years show that opportunistic and rightist elements often made their presence felt each time the revolutionary cause entered a difficult stage or reached a major turning point. Nonetheless, given the current complicated international situation, the danger posed by opportunistic and rightist elements is more serious than ever before. The rhetoric of opportunistic and rightist elements matches the intention of the United States and hostile forces to degrade and disintegrate our party and abolish the socialist regime in our country. One of the fundamental issues that we need to be aware of here is the fact that hostile forces are taking advantage of the erratic viewpoints of a number of opportunistic and rightist elements to criticize our party's principle of democratic centralism and to demand that we give up this principle. They want us to replace the new party, designed by Lenin and Ho Chi Minh, with a social democratic party patterned after the organization of a political club. We will lose both our party and regime if we follow that path.

Realities show that one of the main causes leading to the powerlessness, neutralization, and disintegration of a number of communist parties in the recent past rests with the failure to safeguard this principle. The rejection of the principle of democratic centralism will lead to the negation of the principle of absolute, direct, and overall party leadership over the Army and the Armed Forces. This is designed to separate the Army and the Armed Forces from the party's leadership and deprive them of political objectives and orientations, thus paving the way for the depoliticalization and neutralization of the Army and the Armed Forces and creating the conditions for hostile forces to carry out their "peaceful evolution" strategy aimed at undermining our party and state and at overthrowing our regime. This is a matter of life or death because it affects our party, the socialist regime in our country, national independence, peace, national stability, and the people's lasting happiness. This requires us to adopt a firm stance and to heighten vigilance against and resolutely oppose opportunism and rightism.

To effectively oppose opportunism and rightism and overcome their adverse impact, we must focus on the following fundamental points:

1. It is necessary to: correctly assess the situation; to adopt positive, resolute, and smart measures to overcome all indications of opportunism and rightism; and to safeguard the party's political line, organization, and structure, thus making the party always firm and strong politically, ideologically, and organizationally. The struggle against the erratic rhetoric of opportunistic and rightist elements must involve all fronts, and the

ideological front first of all, where frequent efforts are needed. It is important to firmly grasp and creatively apply Marxism-Leninism and Ho Chi Minh ideology, fully understand the party-initiated renovation line, and overcome dogmatism and conservatism because they are at variance with the party-initiated renovation line and create loopholes of which opportunistic and rightist elements take advantage. The struggle must be based on a scientifically sound analysis and the power of persuasion. It is necessary to avoid rude criticisms because they limit the democratization process and make it difficult for cadres and party members to bring their wisdom into full play. It is important here to distinguish people who express incorrect viewpoints due to limited knowledge or inaccurate information or who are eager to find new ways of doing things from people with bad intentions and a poor sense of organization and discipline who deliberately try to propagate unsound viewpoints that are contrary to the party's lines and standpoints.

The tasks constituting the most crucial work to be carried out in the future are: consolidating and protecting the party on the political, ideological, and organizational fronts; promoting Marxism-Leninism and Ho Chi Minh ideology; and foiling attempts to degrade the party. It is necessary to firmly grasp the relations between party building and party protection and to link endeavors to build and protect the party with the struggle against opportunism and rightism. A three-pronged struggle must be launched on the political, ideological, and organizational fronts. It is necessary to strengthen the unanimity of mind within the party and in society, uphold the determination to make the renovation undertaking and the struggle against hostile forces' "peaceful evolution" strategy a success, and hold fast on the socialist ideological front.

The three issues — political, ideological, and organizational — must be handled well in the course of making preparations for and in conducting party congresses at all levels prior to the eighth national party congress. With regard to the political and ideological issues, refresher courses must be conducted to provide all cadres and party members, party members holding high and in-

termediate level party positions first of all, with access to scientific and systematic concepts on the socialist revolutionary path in Vietnam, thus giving them adequate theoretical and practical knowledge to contribute suggestions to the draft documents of the national party congress and of party congresses at each level.

3. It is important to uphold the political background, wisdom, revolutionary ethics, and healthy lifestyle of cadres and party members. Efforts must be made to improve the sense of democracy and discipline, promote solidarity and unity among party members, revamp party installations, especially key party installations, and secure smooth party leadership over all grass-roots party organizations. Steps must be taken to effect drastic changes for the better in cadre-related work to improve the competence and quality of cadres, first of all, key cadres in charge of agencies from the central down to the city and provincial levels, as well as those of important economic organizations. It is necessary to closely monitor the situation and make a general evaluation and classification of each area of activity, unit, and locality to get a clear picture of hardcore and trustworthy elements.

It is necessary to pay attention to planning and have a clear definition of requirements to be fulfilled step by step. At party congresses at the grass-roots level upward, it is important to see to it that only outstanding party members are chosen to attend upper level party congresses and are elected to new party committee echelons (care must be taken not to mistakenly choose corrupt party members or party members with erratic viewpoints). The organization of party congresses at all levels serves as a venue to select outstanding party members to join party committee echelons and attend upper level party congresses. It also creates the opportunity to dispel from the party corrupt elements, elements with opposing viewpoints, and opportunistic and social democratic elements. If we can succeed in this endeavor, we will help our party make an important step forward and remain forever the only leader to take our people's revolutionary undertaking to final victory.

## Australia

**Australia: Procedures Tightened To Catch Bosnian War Criminals**

*BK0202103496 Melbourne Radio Australia in English 0500 GMT 2 Feb 96*

[FBIS Transcribed Text] Australia has tightened procedures to catch war criminals from Bosnia-Herzegovina who have migrated to Australia. A federal parliamentary report on Australia's response to Bosnia said the Immigration Department has developed new guidelines to detect war criminals. Chairman of the Joint Standing Committee on Foreign Affairs Roger Price said the Immigration Department acted because the inquiry showed it was ignoring the war crimes issue.

[Begin Price recording] Well, I think they thought that everything has been done in terms of Australia's provision of military assistance to the war crimes tribunal over in The Hague and that they are adequately dealing with the problem, but under questioning I think, perhaps, their inadequacy is a kind of affront. [end recording]

The parliamentary report also recommended that a contingent of Australian police should be sent to Bosnia to help with the new peace agreement.

## Fiji

**Fiji: Government Warns Against Foreign Interference**

*LD3001114096 Melbourne Radio Australia in English 1000 GMT 30 Jan 96*

[FBIS Transcribed Text] The Fiji Government has warned that attempts by foreign governments and international organizations to involve themselves in Fiji's internal affairs would be counter-productive. Acting Prime Minister Ratu Timoci Vesikula was commenting on reports that the leader of the opposition Labour Party, Mahendra Chaudhary, is in London seeking support in opposing the Fiji Government's discrimination against the Indian population. Mr. Chaudhary is said to be holding talks with the British Labour Party, the Socialist International organization, the European Union, and United Nations agencies on alleged human rights violations in Fiji, the country's pro-Fijian constitution, and the controversy over the leasing of land to Indian tenant farmers.

Ratu Vesikula said the solution to these issues would have to be found in Fiji and that outside efforts to force the pace of change or to impose solutions would not help.

## New Zealand

**New Zealand Editorial Welcomes 'Canberra Commission' on Nuclear Arms**

*BK2701130996 Christchurch THE PRESS in English 26 Jan 96*

[Editorial: "Banning the Bomb" — received via Internet]

[FBIS Transcribed Text] The Canberra Commission on the Elimination of Nuclear Weapons has the bold agenda that its name suggests. It gathers together eminent people from 12 countries and is a serious attempt to solve a serious problem. Paul Keating, the Australian Prime Minister, whose idea the whole thing is, does not want high-sounding rhetoric; he wants a practical programme to bring abolition about.

To say that the commission arose out of domestic politics is not to damn it. The Australian Government misjudged the reaction of Australians to renewed French testing and had to scramble to demonstrate its anti-nuclear credentials. The establishment of the commission was part of the scrambling. Perhaps the Government would have tried to shore up its support in matters nuclear in any case, but the testing acted as a spur, as did the election — to be held by May. The green vote is important to Labor. How decisive the commission will be in deciding the fate of the Government remains to be seen, but at least Mr Keating, in his sharp-eyed way, has covered the base.

International politics is frequently intimately linked with domestic politics; indeed, some argue that the two cannot be properly separated. In this case, being able to pinpoint the domestic political motive does not invalidate the commission's work. The commissioners are too eminent to tolerate being used solely to benefit the Australian Labor Party.

Having decided to tackle the subject, Mr Keating is not one to be awed by the enormity of the task. He said that Australia had always "punched above its weight" on issues like nuclear disarmament, and the claim is not without some foundation. Australia brought to a conclusion the Chemical Weapons Convention in 1992, which was a considerable accomplishment. (New Zealand gave Australia a few tens of thousands of dollars as a contribution towards the process but it was Australia that did the bulk of the work.) In passing, though, some of the ironies should not be missed. Australia was a stern critic of New Zealand's banning of nuclear ships. The Americans' basic fear was that the New Zealand attitude would spread and that Australia would be the first to fall. At the time Australia, through its joint facilities with the US, was linked to nuclear strategy. Partly to reassure Washington the New Zealand

Government took the line that the policy was "not for export". Now Australia is taking clear aim at the presence of nuclear weapons worldwide.

Of course times have changed. The Cold War is over; the international security environment is benign; the great fear about nuclear weapons is that of proliferation. Nevertheless, the nuclear powers seem intent on retaining their weapons and nuclear strategies or even developing new strategies. Therefore, the commission will find it difficult to persuade the US and Russia to abandon nuclear weapons.

The present stage of disarmament is that the second Strategic Arms Reduction Treaty, Start 2, which aims to reduce US and Russian nuclear weapons to 3500 each by the year 2002, has not been fully implemented. Some of the implementation is going slower than was hoped, not so much because of lack of will but because of practical difficulties. After Start 2, Start 3 is planned and it will include the smaller nuclear powers, Britain, France, and China.

Within the administrations of various countries, including that of the US, some people entertain the thought that all stockpiles will eventually be eliminated. But no nuclear power is openly and unconditionally advocating that. The Canberra commission — which is already meeting — will not by itself move countries. Circumstances must change, so that countries see it as in their own interests to get rid of nuclear weapons. The commission's work may hurry that process.

#### New Zealand Prime Minister on Australia's Antinuclear Credentials

LD3001094896 Wellington Radio New Zealand International in English 0800 GMT 30 Jan 96

[FBIS Transcribed Text] Prime Minister Jim Bolger is questioning the credibility of Australia's antinuclear position, given that it continues to export uranium for the manufacture of nuclear weapons. He said the announcement that there will be no more French nuclear tests in the Pacific means the focus must now shift to the elimination of nuclear weapons altogether.

Jim Bolger has welcomed the Australian move to set up an international commission to look at the issue, although he is cynical about Australia's own position:

[Begin Bolger recording] I am just delighted that Australia — which, ironically, is still exporting uranium — has committed itself to the goal of the elimination of nuclear weapons. At some stage they are going to have to stop exporting uranium to make that a credible position. But let's welcome the progress. [end recording]

#### New Zealand Foreign Minister on Reported Leak at French Test Site

BK2701125096 Christchurch THE PRESS in English 25 Jan 96

[Report by Jeremy Kirk in Wellington — received via Internet]

[FBIS Transcribed Text] The Government is not satisfied with French denials of a radiation leak from the Mururoa nuclear test site and is seeking independent information.

A Japanese newspaper, YOMIURI SHIMBUN, this week quoted sources at an international disarmament conference held in November as saying a French nuclear expert detected a very small amount of radioactive iodine 131 after France resumed testing there in September.

The Minister of Foreign Affairs, Don McKinnon, said yesterday the Government was not in a position to accept or reject the French denial and wanted more substantial information before taking a position.

"I would really like to find out independently information on the basis of what we know at the present. We've asked a lot of questions of a number of people through our own scientific community."

The report has prompted calls for France to cease nuclear tests while an independent team surveys the test sites for leaked radioactive material.

Iodine 131 does not exist in nature and only emerges after a nuclear explosion. When absorbed into the body it can cause cancer. It was detected in large quantities in survivors of the 1986 Chernobyl nuclear power plant accident.

The French Atomic Energy Commission said yesterday insignificant traces of radioactive material often leaked after its nuclear tests in the South Pacific, but denied there had been a cover-up of a recent seepage.

The commission director's, Alain Barthoux, said that, while leaks of iodine 131 had occurred in the past during post-test drilling in the 1980s, these had been accidents and were different from "a few atoms of radioactive substances that always turn up" after a test.

Greenpeace yesterday called on the French Government to fully disclose contamination data, immediately stop any further nuclear tests, and to forge ahead with talks in Geneva to ban all nuclear weapon tests.

Labour's disarmament spokesman, Richard Northey, said the New Zealand Government should demand an independent assessment of environmental damage from

testing sites in the Pacific and that there be no further testing until this was completed.

However, Mr McKinnon said the call for an independent inquiry was premature until more was known. It might be impossible to determine what happened. If that was the case the inspection of test sites by the International Atomic Energy Agency after the tests were completed would provide "a final backstop" to determine if there was contamination.

A spokesman for the Christchurch-based National Radiation Laboratory, Murray Matthews, said there was some doubt over the accuracy of the report and he and other colleagues were trying to verify it.

If iodine 131 had been released it would not pose a significant health risk, he said.

"What we are talking about is relatively trivial amounts released into seawater which would have even less chance of getting into people."

Because iodine 131 had a half life of eight days, its potency would be reduced by time and would be at 6 per cent of its original mass after a month, he said.

Meanwhile, Mr McKinnon said the Government was disturbed by reports the French may explode two more nuclear devices before stopping testing at the end of next month. "In our view that would be two too many," he said.

### Papua New Guinea

**Papua New Guinea Prime Minister Denies Solomon Islands Fire Involvement**

*LD0102110196 Melbourne Radio Australia  
in English 1000 GMT 1 Feb 96*

[FBIS Transcribed Excerpt] Papua New Guinea's prime minister says the destruction at the home of the

Bougainville rebel spokesman Martin Miriori in the Solomon Islands capital, Honiara, may have been the work of other Bougainville rebels. [passage omitted]

Sean Dorney reports that Sir Julius Chan told a news conference in Port Moresby he knew nothing of the suspected arson attack.

[Dorney] Sir Julius called the news conference to talk about a trip he is making to Japan as current chairman of the South Pacific Forum, and when asked about the destruction of Martin Miriori's house, he said he was unaware of it and he asked the journalist for details. Told some estimates put Mr Miriori's losses at more than 1 million dollars, Sir Julius expressed surprise at the figure and claimed there were big divisions between elements on the rebel side.

[Begin Chan recording] You can't say that Papua New Guineans are in Honiara. They are rebels fighting against rebels. They are confronting one another now. [end recording]

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